



AMATHOLE DISTRICT MUNICIPALITY

AGENDA

COUNCIL MEETING

THURSDAY, 31 MAY 2018

10H00

**REGISTRATION
AT 09H00**

CONFIDENTIAL
NOT FOR PUBLICATION

AMATHOLE DISTRICT MUNICIPALITY

NOTICE OF A MEETING

Notice is hereby given in terms of Section 19(a) of the Municipal Systems Act 32 of 2000 as amended, read with Section 29 (1) of the Local Government Municipal Structures Act 117 of 1998 subject to Section 18(2), that the Ordinary Council Meeting of Amathole District Municipality will be held at:

Calgary Conference Centre, Macleantown Road, East London

on

Thursday, 31 May 2018

At

10:00

to discuss the items as set out on the attached Agenda

A handwritten signature in black ink, appearing to read 'N. Ndikinda', is written over a horizontal line.

**Cllr. N Ndikinda
MUNICIPAL SPEAKER**

AGENDA

1. Opening and Chairperson's Communication
2. Adoption of the Agenda
3. Application for Leave of Absence
4. Apologies
5. Matters Of Public Importance
6. Confirmation of Minutes for the Council Meetings held on:
 - 6.1 **Ordinary Council held on: Wednesday, 28 March 2018**
 - 6.2 **Special Council held on: Thursday, 26 April 2018**
7. Reports by the Executive Mayor
8. Items for Approval by Council
9. Legislative Reports
- 10 Reports By Chairpersons Of Section 79 And Other Committees
- C. Confidential Reports
11. Closure

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- e. Change Management Policy
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AMATHOLE DISTRICT MUNICIPALITY

MINUTES

ORDINARY COUNCIL MEETING

WEDNESDAY, 28 MARCH 2018

10H05

CONFIDENTIAL
NOT FOR PUBLICATION

AMATHOLE DISTRICT MUNICIPALITY

MINUTES OF THE ORDINARY COUNCIL MEETING HELD AT CALGARY CONFERENCE CENTRE, EAST LONDON ON WEDNESDAY, 28 MARCH 2018 AT 10H05

PRESENT: COUNCILLORS

Ndikinda, N	-	(Speaker)
Nxawe, NW	-	(Executive Mayor)
Ndwayana, SE	-	(Council Chief Whip)
Mfecane, N	-	(MPAC Chairperson) [arrived at: 10h14]
Auld, CA	-	Raymond Mhlaba Local Municipality
Badi, XC	-	Raymond Mhlaba Local Municipality
Baleni, X	-	Mbhashe Local Municipality
Bonga, N	-	Proportional Representative
Dywili, MD	-	Raymond Mhlaba Local Municipality
Ganjana, BM	-	Proportional Representative
Goniwe, PB	-	Proportional Representative
Jack, P	-	Raymond Mhlaba Local Municipality
Jacobs, L	-	Proportional Representative
Kabane, Z	-	Proportional Representative
Konza, N	-	Proportional Representative
Lombard, J	-	Proportional Representative
Magwaca, K	-	Mnquma Local Municipality
Maneli, S	-	Ngqushwa Local Municipality
Mantshiyose, L	-	Mbhashe Local Municipality
Matshobeni, A	-	Proportional Representative
Mevana, NV	-	Great Kei Local Municipality
Mgidlana, N	-	Proportional Representative
Mnqokoyi, Z	-	Mnquma Local Municipality
Msindwana, K	-	Mbhashe Local Municipality
Namba, MM	-	Proportional Representative
Ncanywa, D	-	Ngqushwa Local Municipality
Ngaye, T	-	Raymond Mhlaba Local Municipality [arrived at: 10h10]
Nqwena, N	-	Mbhashe Local Municipality
Sitole, PS	-	Proportional Representative
Siwisa, MT	-	Ngqushwa Local Municipality
Tekile, NW	-	Proportional Representative
Tolobisa, MD	-	Proportional Representative
Xhongwana, Z	-	Mnquma Local Municipality
Zuka, S	-	Proportional Representative [arrived at: 10h10]

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TRADITIONAL LEADERS

Inkosi Kaulela, MW
Inkosi Bulube, VS
Inkosi, Ndlazi, NN

Inkosi Mqalo, K
Inkosi Tuswa, MN
Inkosi Mditshwa, MT
Inkosi Zunguzane, GT

[07]

OFFICIALS

Dr Mnyimba, T.T.	-	Municipal Manager
Ms Ntshanga, N	-	Chief Financial Officer
Ms Simanga, L	-	Director: Legislative & Executive Support Services
Ms.Mniki Y.H	-	Director: Community Services
Mr Dliwayo M	-	Director: Corporate Services
Ms Tinta A	-	Director: Strategic Planning & Management
Mr Govu L	-	Director: Engineering Services
Mr Mnweba S	-	Director: Land Human Settlements & Economic Development
Dr Kwaza, M	-	General Manager: Internal Audit
Rev Mkentane, B.Z	-	Senior Manager: LSS
Ms Tom L, T	-	Senior Manager: Council Support
Mr Makunga, S	-	Senior Manager: Communications
Ms Majolobe, N	-	Senior Manager: PME
Mr Bovu,A	-	Manager :Council Support
Ms Mnapu P	-	Senior Administrative Officer: Council Support
Mr Taleni, NM	-	Assistant Manager: Outreach & Constituencies
Ms Manyifolo, F	-	Administrative Officer: Council Support
Ms Solundwana, L	-	Administrative Officer: Council Support
Ms Dyushu, NB	-	Personal Assistant: Executive Mayor
Mr Jack, S	-	Senior Admin Assistant: Council Support
Ms Dyantyi, N	-	Admin Assistant: Council Support
Mrs Mjekula, N	-	Principal Clerk
Ms Vooi, N.	-	IT Technician

ALSO IN ATTENDANCE

Ms Ntsodo, VSL	-	Chairperson: Audit Committee
Mr Pambo, U	-	Deputy Director: Department of Human Settlement

ABSENT: COUNCILLORS

Bomela, Z	-	Mnquma Local Municipality
Nyalambisa, N	-	Mbhashe Local Municipality
Rulashe, N	-	Proportional Representative
Siyo, Z	-	Mnquma Local Municipality
Skelenge, N	-	Mnquma Local Municipality

1. OPENING AND SPEAKER'S COMMUNICATION

The Speaker of ADM Council and the Executive Mayor took the Chair at 10h05.

He then requested members of Council to observe a moment of silence for prayer and meditation and further welcomed the Executive Mayor, Chief Whip, Chairperson of the MPAC, members of

the Mayoral Committee, Traditional Leaders, Councillors, members of the opposition parties and the Administration as led by the Municipal Manager, Dr T.T.Mnyimba and members of the public to the Council meeting.

In his welcoming remarks the Speaker mentioned that the month of March was earmarked as a Human Rights Month, commemorating the Sharpeville Massacre where 69 people were killed and many injured while marching against pass laws. He emphasised that the memory of what took place in Sharpeville should propel to strengthen, resolve and to promote human rights in all areas of operation.

The Speaker then reported about an unfortunate shooting in Keiskamahoe which took a life of a protester and requested the Council to send condolences message to the family. He requested that a moment of silence be observed for the departed.

He mentioned that it was the Council's responsibility to continuously uplift laws which would help free the suffering of black people and make sure services were rendered in a proper way.

The Speaker then mentioned that the March Council meeting was convened mainly for the purpose of adopting the Draft IDP and Budget which would come for final adoption in May 2018 and other Policies that would help in improving the lives of Amathole communities.

He ended his welcoming remarks by requesting all Christians to pray for Amathole during their Easter church services and that people should try and be very careful on the roads.

2. ADOPTION OF THE AGENDA

RESOLVED

That the Agenda of the Council meeting dated 28 march 2018 be **ADOPTED** with the following **ADDITIONS:-**

7.1.5.1 Report On The Draft ADM Institutional Arrangements For 2018/19 And The Outer Years And The Proposed Establishment Plan

3. APPLICATION FOR LEAVE OF ABSENCE

None.

4. APOLOGIES

RESOLVED

That the following apologies received from Councillors be noted:

Balindlela, T	-	Amahlathi Local Municipality [Attending a Council meeting]
Genyane, C	-	Mbhashe Local Municipality [Municipal commitment]
Goniwe-Mafanya, T	-	Mbhashe Local Municipality [attending a Council Meeting]
Hobo, A	-	Amahlathi Local Municipality [Attending a Council meeting]
Plaatjie, N	-	Proportional Representative [medical reasons]
Pose, N	-	Amahlathi Local Municipality [Attending a Council meeting]

Tshona, NR	-	Mnquma Local Municipality [Municipal commitment]
Tyodana, XM	-	Mbhashe Local Municipality [Family responsibility]

[8]

TRADITIONAL LEADERS

None.

5. MATTERS OF PUBLIC IMPORTANCE

It was reported that Political Parties would be afforded an opportunity to acknowledge the Human Rights day and time was allocated proportionally to political parties.

-] Councillor Goniwe, PB, spoke on behalf of the African Independent Congress
-] Councillor Matshobeni, A, spoke on behalf of the Economic Freedom Fighters
-] Councillor Lombard J, spoke on behalf of the Democratic Alliance
-] Councillor Sithole, SP, spoke on behalf of the United Democratic Movement
-] Councillor Konza, N. on spoke on behalf of the African National Congress

Copies of speeches from Political Parties are attached as **Annexures “A, B, C, D & E” below.**

6 CONFIRMATION OF MINUTES:

6.1 ORDINARY COUNCIL MEETING HELD ON WEDNESDAY, 31 JANUARY 2018

RESOLVED

That the Minutes of the Council Meeting held on Wednesday, 31 January 2018 be **ADOPTED** and **CONFIRMED.**

6.2 SPECIAL COUNCIL MEETING HELD ON WEDNESDAY 28 FEBRUARY 2018

RESOLVED

That the Minutes of the Council Meeting held on Wednesday, 28 February 2018 be **ADOPTED** and **CONFIRMED.**

7 REPORTS BY THE EXECUTIVE MAYOR

7.1 ITEMS APPROVED BY THE EXECUTIVE MAYOR IN TERMS OF THE DELEGATION OF POWERS

7.1.1 MUNICIPAL FINANCIAL VIABILITY

7.1.1.1 2ND QUARTERLY REPORT ON CONTRACTUAL COMMITMENTS AND PERFORMANCE OF SERVICE PROVIDERS [BSD&II 8/2]

[File No. 8/2/R]

[Author: Chief Financial Officer/NN/CB/pn]

[MC: 19 March 2018]

[Council: 28 March 2018]

RESOLVED

That the report on the 2nd Quarter 2017/2018 financial year Contractual Commitments and Performance of Service Providers in terms of the 2017/2018 SDBIP, BSD&II 8/2, be noted.

7.1.1.2 INDIGENT REPORT AND SUBSIDY PAID IN QUARTER 1 – 2017/18 FINANCIAL YEAR

[File No. 5/17/1]

[Author: Chief Financial Officer/NN/fn/zn]

[MC: 19 March 2018]

[Council: 28 March 2018]

RESOLVED

That the Council notes the report on the indigent registration and subsidy paid during the 1st quarter of the 2017/18 financial year.

RESOLVED

That the reports from item 7.1.1.1 to 7.1.1.2 be noted.

7.1.2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

7.1.2.1 REPORT ON STAKEHOLDER CONSULTATION ON INDIGENT POLICY HELD DURING THE QUARTER ENDING DECEMBER 2017 [BL/LS 4]

[File No. 12/2/3/15]
[Author: Director: L&ESS/LS/sp]
[MC: 19 March 2018]
[Council: 28 March 2018]

RESOLVED

That the report on stakeholder consultation on Indigent Policy held during the quarter ending December 2017 (Bl/Ls 4) be noted.

7.1.2.2 REPORT ON THE LAUNCH OF SERVICE DELIVERY PROJECTS HELD DURING THE QUARTER ENDING IN DECEMBER 2017. [KPI: BL/LS 2]

[File No. 12/2/3/15]
[Author: Director: L&ESS/LS/sp]
[MC: 19 March 2018]
[Council: 28 March 2018]

RESOLVED

That the report on the launch of service delivery projects held during the quarter ending in December 2017 (KPI BL/LS 2) be noted.

7.1.2.3 QUARTERLY REPORT ON THE SPORT DEVELOPMENT PROGRAMMES UNDERTAKEN DURING THE 2nd QUARTER OF 2017/18 FINANCIAL YEAR [BL/LS 7]

[File No. 12/2/1/12]
[Author: Director: L&ESS/LS]
[Extended EMC: 19 February 2018]
[MC: 19 March 2018]
[Council: 28 March 2018]

RESOLVED

That the quarterly report on the Sport Development Programmes undertaken during the 2nd quarter of the 2017/18 financial year be noted.

7.1.2.4 QUARTERLY REPORT ON THE CAPACITY BUILDING PROGRAMMES UNDERTAKEN BY THE SPECIAL PROGRAMMES UNIT DURING THE 2nd QUARTER OF THE 2017/18 FINANCIAL YEAR [KPI TL 60]

[File No. 12/2/1/12]
[Author: Director: L&ESS/ LS/sp]
[MC: 19 March 2018]
[Council: 28 March 2018]

RESOLVED

That the quarterly report on the capacity building programmes undertaken by the Special Programmes Unit during the 2nd Quarter ending December 2017 be noted.

7.1.2.5 QUARTERLY REPORT ON MAYORAL IMBIZOS HELD DURING THE QUARTER ENDING DECEMBER 2017 [TL65]

[File No. 12/2/3/15]
[Author: Director: L&ESS/LS/sp]
[MC: 19 March 2018]
[Council: 28 March 2018]

RESOLVED

That the report on the quarterly report on Mayoral Imbizos held during the quarter ending December 2017 (Tl 65) be noted.

7.1.2.6 QUARTERLY REPORT ON THE CAPACITY BUILDING PROGRAMMES CONDUCTED FOR PEOPLE LIVING WITH HIV AND AIDS DURING THE 2nd QUARTER OF 2017/2018 [BL/LS 8]

[File No.:11/3/8/4]
[Author: Director: L&ESS/ LS/sp]
[MC: 19 March 2018]
[Council: 28 March 2018]

RESOLVED

That the quarterly report on the capacity building programmes conducted for people living with HIV and AIDS during the 2nd quarter ending December 2017 be noted.

7.1.2.7 QUARTER 2 REPORT ON THE ACTIVITIES UNDERTAKEN BY SATELLITE OFFICES FROM OCTOBER TO DECEMBER 2017- [KPI - 2]

[File No: 9/2/1/1]

[Author: Director: Strategic Planning & Management/ANT/ls]

[MC: 19 March 2018]

[Council: 28 March 2018]

RESOLVED

That the quarter two (2) report on activities undertaken and implementation of satellite model for period between October–December 2017 be noted.

7.1.2.8 2017/2018 PERFORMANCE AGREEMENTS FOR 4 NEW SECTION 56 MANAGERS

[File No: 2/11/1]

[Author: Director: Strategic Manager/ANT/nm]

[MC: 19 March 2018]

[Council: 28 March 2018]

RESOLVED

That the signed Performance Agreements for 4 Section 56 Managers that resumed duties on 1st of November 2018, be noted.

7.1.2.9 `INSTITUTIONAL STRATEGIC PLANNING SESSION HELD ON 14 – 17 FEBRUARY 2018 AT MPEKWENI RESORT

[File No. 9/2/1/1]

[Author: Director: Strategic Manager/ANT/nm]

[MC: 19 March 2018]

[Council: 28 March 2018]

RESOLVED

That the report on the Institutional Strategic Planning Session held on 14 – 17 February 2018 at Mpekwani resort be noted.

7.1.2.10 REPORT ON AUDIT ACTION PLANS: INTERNAL AND EXTERNAL AUDIT REPORTS FOR 2016/17

[File No.: 5/15/1]

[Author: General Manager: Internal Audit: MK/nm]

[Special ARC: 09 March 2018]

[Council: 28 March 2018]

RESOLVED

That the progress and status of matters in the Audit Report Action Plan for the 2016/2017 financial year be noted.

RESOLVED

That the reports from item 7.1.2.1 to 7.1.2.10 be noted.

7.1.3 LOCAL ECONOMIC DEVELOPMENT

7.1.3.1 REPORT ON THE IMPLEMENTATION OF INPUT SUPPLY PROGRAMME FOR QUARTER 2 OF 2017/2018 FINANCIAL YEAR

[File No: 8/7/R]

[Author: Director: LHSED: SM/at/nm]

[MC: 19 March 2018]

[Council: 28 March 2018]

RESOLVED

That Council notes the report on the implementation of input supply programme projects during quarter 2 of 2017/2018 financial year.

7.1.3.2 REPORT ON THE TOURISM DEVELOPMENT INITIATIVES THAT AMATHOLE DISTRICT MUNICIPALITY EMBARKED ON IN THE 2ND QUARTER 17/18

[File No. 8/7/R]

[Author: Director: LHSED/SM/at/bc]

[MC: 19 March 2018]

[Council: 28 March 2018]

RESOLVED

That Council notes the report on Tourism Development Initiatives that ADM embarked during the second quarter of the 2017/18 financial year.

7.1.3.3 REPORT ON THE MARKETING PLATFORMS ATTENDED BY AMATHOLE DISTRICT MUNICIPALITY (ADM) DURING THE SECOND QUARTER OF THE 2017/18 FINANCIAL YEAR

[File No: 8/7/31]
[Author: Director: LHSED: SM/at/bc]
[MC: 19 March 2018]
[Council: 28 March 2018]

RESOLVED

That Council notes the report on the Marketing platforms attended by ADM during the 2nd quarter for 2017/18 financial year.

RESOLVED

That the reports from item 7.1.3.1 to 7.1.3.3 be noted.

7.1.4 BASIC SERVICE DELIVERY & INFRASTRUCTURE INVESTMENT

7.1.4.1 SECOND QUARTER REPORT ON WASTE MANAGEMENT PROMOTION AND GREENEST MUNICIPALITY COMPETITION PROJECTS

[File No. 17/1R]
[Author: Director: Community Services/YHM/ng]
[MC: 26 March 2018]
[Council: 28 March 2018]

RESOLVED

That the report to Council on Waste Management Promotion and Greenest Municipality Competition Projects for the period October to December 2017 be noted.

7.1.4.2 SECOND QUARTER REPORT ON THE HEALTH SURVEILLANCE OF PREMISES PROGRAMME

[File No. 17/3/R]
[Author: Director: Community Services/YHM/an]
[MC: 26 March 2018]
[Council: 28 March 2018]

RESOLVED

That the report to Council on the Health Surveillance of premises programme activities conducted for the period October to December 2017 be noted.

7.1.4.3 SECOND QUARTER REPORT ON COMMUNITY SAFETY AND BY LAW ENFORCEMENT UNIT SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) DURING THE 2017/2018 FINANCIAL YEAR

[File No. 17/3/R]

[Author: Director: Community Services/YHM/bhl]

[MC: 19 March 2018]

[Council: 28 March 2018]

RESOLVED

That the report on implementation of Community Safety and by Law Enforcement Unit SDBIP targets for the second quarter of 2017-2018 be noted.

7.1.4.4 SECOND QUARTER REPORT ON IMPLEMENTATION OF DISASTER MANAGEMENT SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN TARGETS DURING THE 2017/2018 FINANCIAL YEAR

[File No. 17/3/R]

[Author: Director: Community Services/YHM/bhl]

[MC: 19 March 2018]

[Council: 28 March 2018]

RESOLVED

That the report to Council on Service Delivery and Budget Implementation Plan targets implemented by the Disaster Management Unit during the period October – December 2017 be noted.

RESOLVED

That the reports from item 7.1.4.1 to 7.1.4.4 be noted.

7.1.5 MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT

7.1.5.1 REPORT ON THE DRAFT ADM INSTITUTIONAL ARRANGEMENTS FOR 2018/19 AND THE OUTER YEARS AND THE PROPOSED ESTABLISHMENT PLAN

File No. 4/4/1]

[Author: Director: Corporate Services/MD/ad/PZ/sn]

[MC: 19 March 2018]

[Council Meeting: 28 March 2018]

The report was circulated in the meeting.

The municipal manager gave a background on the source of challenges and mentioned that the ADM was a category 6 municipality which was paid at category 7 municipality. Council was at

category 5. There was standardization which also increased/ affected salaries and finances of the municipality.

The municipal manager reported that the number (-310) as reflected on page 8 of the report would be redundant, but employees would be profiled wherein skills would be checked, reskilling done and best placed. Employees would be phased out naturally (resignation, death) in which the posts would not be filled. The municipal manager further mentioned that the new structure has not been to job evaluation. On the issue of VSP it was mentioned that a clear process plan detailing job evaluation, grading, costing and job descriptions would be developed and presented to Council

RESOLVED

To request Council to note:

- a. The detailed report regarding institutional arrangements and the related recruitment history,
- b. The proposed Draft Establishment Plan for 2018/19,
- c. The proposed Voluntary Severance Packages for employees who are 55 years and above, for a fixed period of 06 months.

8.1 MUNICIPAL FINANCIAL VIABILITY

8.1.1 REQUEST FOR INDIGENT BAD DEBT WRITE OFFS FOR APPROVED INDIGENT CONSUMERS – AUGUST 2017

[File No. 5/17/1]
[Author: Chief Financial Officer/NN/fn/zn]
[MC: 19 March 2018]
[Council: 28 March 2018]

RESOLVED

That Council approves the write – off of total outstanding debt of **R2 809 618.13** denoted in Annexure “A”, in line with provisions of the ADM Indigent Policy as it relates to those households granted Indigent support subsidies.

8.1.2 REQUEST FOR INDIGENT BAD DEBT WRITE OFFS FOR APPROVED INDIGENT CONSUMERS – SEPTEMBER 2017

[File No. 5/17/1]
[Author: Chief Financial Officer/NN/sk/zn]
[MC: 19 March 2018]
[Council: 28 March 2018]

RESOLVED

That Council approves the write – off of total outstanding debt of **R 496 196.00** denoted in Annexure “A”, in line with provisions of the ADM Indigent Policy as it relates to those households granted Indigent support subsidies.

8.1.3 REQUEST FOR INDIGENT BAD DEBT WRITE OFFS FOR APPROVED INDIGENT CONSUMERS – OCTOBER 2017

[File No. 5/17/1]

[Author: Chief Financial Officer/NT/sk/zn]

[MC: 19 March 2018]

[Council: 28 March 2018]

RESOLVED

That Council approves the write – off of total outstanding debt of **R 460 498.99** denoted in **Annexure “A”** in line with provisions of the ADM Indigent Policy as it relates to those households granted Indigent support subsidies.

8.2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

8.2.1 PERFORMANCE BONUSES FOR MUNICIPAL MANAGER AND DIRECTORS REPORTING TO THE MUNICIPAL MANAGER FOR 2016/17

[File No. 2/1/1]

[Author: Municipal Manager/TTM/nm]

[MC: 19 March 2018]

[Council: 28 March 2018]

RESOLVED

a) .That Council approves the non - payment of performance bonuses to the former municipal manager and senior managers reporting directly to the municipal manager for the 2016/17 financial year due to financial constraints and unavailability of budget.

b) That the Municipal Manager ensures that the former municipal manager and senior managers reporting to the former municipal are formally informed.

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8.2.2 PROGRESS REPORT: REGIONAL MANAGEMENT SUPPORT SERVICES BY MUNICIPAL INFRASTRUCTURE SUPPORT AGENT (MISA)

[File No: 9/1/1]

[Author: Municipal Manager/TTM/at]

[MC: 19 March 2018]

[Council: 28 March 2018]

RESOLVED

That Council approves the Final Startup Report on Regional Management Support Services provided by MISA.

8.2.3 AMATHOLE DISTRICT MUNICIPALITY'S 2018-2019 DRAFT REVIEWED INTEGRATED DEVELOPMENT PLAN (IDP) AND DRAFT MTREF 2018-2021 BUDGET INCLUDING ASPIRE'S DRAFT MTREF 2018-2021 BUDGET

[File No. 5/1/R]

[Author: Strategic Management Director/ANT/nm/CFO/NN/syk/sg]

[MC: 19 March 2018]

[Council: 28 March 2018]

-) It was reported that the reviewed Integrated Development Plan (IDP) and MTREF 2018-2021 budget including Aspire's MTREF 2018-2021 budget together with policies were still a draft and would be adopted in the Council meeting scheduled for May 2018 after public participation process had been finalised.

RESOLVED

- [i] That the Council adopts the 2018/19 draft reviewed Integrated Development Plan **Annexure "A"**
- [ii] That the below new and reviewed Sector Plans be approved

New Sector Plans

- Enterprise Development Strategy
- Moral Regeneration Movement
- Information Management Plan

Minor Review

- Municipal Health Plan
- Local Economic Development Plan
- Integrated Agricultural Development Plan
- Rural Development Plan
- Disaster Management Plan
- Fire Risk Management Plan
- Communications Strategy
- IT Disaster Recovery - Business Continuity Plan
- Corporate Governance ICT
- Performance Management Framework
- Sport Development Plan
- HIV/AIDS, STI's, TB and Cancer Strategy
- Community Safety Plan
- Geographic Information System Strategy

- [iii] That the draft 2018/2019 Service Delivery and Budget Implementation Plan (SDBIP) be noted **Annexure B**
- [iv] That the draft MTREF Annual Budget of the Amathole District Municipality for the financial year 2018/21 and the multi and single year capital appropriations as set out in Schedule A , Annexure "V" be approved:

- Z Budgeted Financial Performance (revenue and expenditure by standard classification)
 - Z Budgeted Financial Performance (revenue and expenditure by municipal vote)
 - Z Budgeted Financial Performance (revenue by source and expenditure by type)
 - Z Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source
- [v] That the Council of Amathole District Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2018:
- The tariffs for the supply of water – as set out in **Annexure N1 to N4**
 - The tariffs for sanitation services – as set out in **Annexure O**
 - The tariffs for Building Plan Fees and Solid Waste Services – as set out in **Annexure P**
 - The tariffs for Calgary Museum & Conference Centre as set out in **Annexure Q**
 - The tariffs for ADM Fire Services – as set out in **Annexure R1 to R3**
 - The tariffs for Fines & Offences: Air Pollution Control, Waste Management & Municipal Health as set out in **Annexure S1 to S3**
- [vi] That ASPIRE’s MTREF 2018-2021 draft annual budget as contained in **Annexure U** be approved subject to amendments
- [vii] That the draft budget related policies as contained in the **Annexure T** be approved
- [viii] That the Council notes the inclusion of the information as contained in **Annexure “V”** Municipal Annual Budget and MTREF & Supporting Tables - Schedule A format
- [ix] That Council approves the 2018/19 overall draft annual operating budget of **R2 046 544 923**, with a deficit of R463 525 277, and notes the forecast for the outer two years

8.2.4 ENVISIONING ADM TOWARDS 2058 BUILDING A SMART DISTRICT

[File No: 9/1/1]
[Author: Municipal Manage/TTM/at]
[Council: 28 March 2018]

RESOLVED

- a) That Council Approves Vision 2058 as a long term vision of ADM.
- b) That Council approves the Draft Smart District Conceptual Framework.

NOTE: Time being 11:20 the Speaker recused himself from the chair to present his reports. The Municipal Manager called for nominations of names to act as the Acting Speaker. Councillor Maneli was unanimously nominated to be the Acting Speaker for the duration of the Speaker's reports.

9.1 REPORTS BY THE SPEAKER

9.1.1 REPORT ON THE FUNCTIONING OF COUNCIL AND ITS COMMITTEES FOR THE SECOND QUARTER (OCTOBER TO DECEMBER 2017 [BL/LS 6]

[File No: 3/2/2/3]
[Author: Director: L&ESS/LS/lrt]
[Council: 28 March 2018]

RESOLVED

That the report on the assessment of the functioning of Council and its Committees for the period October to December 2017 be noted.

9.1.2 QUARTERLY REPORT ON THE PETITIONS RECEIVED BY THE OFFICE OF THE SPEAKER DURING THE PERIOD 01 OCTOBER – 31 DECEMBER 2017

[File No: 3/2/2/2]
[Author: Director: L&ESS/LS/bzm]
[Council: 28 March 2018]

) On page 620 under update.a correction was made that Department of Rural Department be corrected to Rural Development.

RESOLVED

That the Council notes the second Quarter report on petitions received by the Office of the Speaker for the period 01 October 2017 – 31 December 2017.

9.1.3 REPORT ON THE 2017 SUMMER INITIATION SEASON EVALUATION MEETING HELD AT CALGARY ON 02 FEBRUARY 2018

[File No. 3/1/2]
[Author: Director: L&ESS/LS/bzm]
[Council: 28 March 2018]

RESOLVED

That the Council notes the report on the 2017 summer initiation season evaluation meeting held at Calgary on the 02 February 2018.

9.1.4 PROPOSED SCHEDULE OF MEETINGS FOR THE AMATHOLE DISTRICT MUNICIPALITY FOR THE 2018/2019 FINANCIAL YEAR

[File No. 2/R]

[Author: Director: L&ESS/LS/pm]

[Council: 28 March 2018]

-) A request was made that the Institution should make sure that its calendar of meetings was forwarded to Local Municipalities to avoid the clashing of meetings.

RESOLVED

[a] That Council notes the Draft Schedule of the Amathole District Municipality Meetings, reflected under tables 1-4 as set by the Speaker.

[b] That Council notes the Draft Schedule of Standing Committees and Executive Mayoral Committee Meetings, reflected under tables 5-6 as set by the Executive Mayor.

9.1.5 TABLING OF THE COUNCIL RESOLUTIONS FOR A MEETINGS HELD ON FRIDAY, 08 DECEMBER 2017, WEDNESDAY, 31 JANUARY AND WEDNESDAY, 28 FEBRUARY 2018

[File No. 2/R]

[Author: Director: L&ESS/LS/pm]

[Council: 28 March 2018]

The copies of the resolutions were circulated in the meeting

RESOLVED

That the update on the implementation of the Council resolutions for the meetings held on 08 December 2017, 31 January and 28 February 2018 be noted.

9.1.6 REPORT OF THE COUNCILL WORKSHOP HELD AT THE CALGARY CONFERENCE CENTRE ON 12-13 MARCH 2018.

Ref: 3/2/2/2/3

[Author: Director: L&ESS: LS/ bzm]

[Council: 28 March 2018]

RESOLVED

That Council notes the report of Council Workshop held on 12-13 March 2018 at the Calgary Conference Centre.

9.1.7 REPORT ON RESIGNATION OF ONE OF THE AUDIT COMMITTEE MEMBERS

[File No.5/15/1/2/1]
[Author: General Manager/MK]
[Council: 28 March 2018]

RESOLVED

- a. For Council to approve the resignation of Ms GE Diutlwileng as Audit Committee member of Amathole District Municipality.
- b. For Council to approve the commencement of a process to fill in the vacancy which became open as a result of her resignation.

10.1 AUDIT AND RISK COMMITTEE

10.1.1 REPORT OF THE AUDIT & RISK COMMITTEE TO ADM COUNCIL FOR QUARTER 3 OF 2017/2018 FINANCIAL YEAR

[File No: 9/1/1]
[Author: Audit and Risk Committee/VN]
[Council: 28 March 2018]

The Chairperson of the Audit Committee Ms Ntsodo made a presentation on the status of the Audit Committee. She highlighted the work that had been done by the committee since the start of office. She informed the council on issues that had been discussed and what was expected to be submitted but management to the upcoming audit committee meeting. She further informed Council that an In-Committee meeting had been held with the municipal manager in March.

RESOLVED

For Council to note the Audit and Risk Committee report for Quarter 3 of 2017/18 financial year.

10.2 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

10.2.1 QUARTERLY REPORT ON THE OVERSIGHT PROGRAMS CONDUCTED BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE DURING JANUARY – MARCH 2018 [KPI BL 5]

[File No. 3/3/1/4]

[Author: Director: L&ESS/LS/bzm]

[Council: 28 March 2018]

RESOLVED:

That the quarterly report on the oversight programs conducted by the municipal public accounts committee during January – March 2018 be noted as follows:

- (a) That the oversight report on the annual report of amathole district municipality and amathole economic development agency (t/a aspire) for the year 2016/2017 be noted
- (b) That the oversight on section 52(d) report for the second quarter ending 31 december 2017 be noted
- (c) Report on the adjustments to amathole district municipality's(ADM) service delivery and budget implementation plan (SDBIP) and
- (d) Budget adjustment including aspire's adjustment budget for the 2017/18 financial year [section 72 report] be noted

C CONFIDENTIAL REPORT

C.1 CONFIDENTIAL REPORT FOR APPROVAL BY COUNCIL

C.1.1 MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT

C.1.1.1 TO REQUEST COUNCIL TO APPROVE THE EXTENSION OF THE APPOINTMENT OF THE ACTING DIRECTOR FOR THE DEPARTMENT OF LEGISLATIVE AND EXECUTIVE SUPPORT SERVICES FOR A FURTHER THREE MONTH PERIOD OR UP UNTIL COUNCIL APPROVES THE NEW STAFF ESTABLISHMENT, WHICHEVER COMES FIRST.

[File No. 4/3/2/3]

[Author: Municipal Manager/TM/md]

[Council: 28 March 2018]

Note: the report was circulated in the meeting and was discussed In-Committee

RESOLVED

That:

- [a] Council approves the extension of the appointment of the Acting Director : Legislative and Executive Support Services, for a further period of three months commencing 1 May 2018 or up until such time that Council resolves to approve the new staff establishment, whichever comes first; subject to obtaining the approval for such extension by the MEC responsible for local government;
- [b] That the Municipal Manager be directed to make written request, on behalf of Council, to the MEC for his approval of the extension as set out in [a] above.

11. CLOSURE

Before the closing remarks, the Speaker mentioned that it was the Chief Financial Officers last Council meeting since she had resigned as an employee of the Institution. He then offered all Political Parties an opportunity to say farewell to her.

Political parties bid her farewell as follows:-

-) Councillor Goniwe on behalf of the AIC, thanked her for the wonderful work she had done and wish her well in her endeavours..
-) Councillor Matshobeni on behalf of the EFF and mentioned that the Council was still looking forward to working with her and wished her well.
-) Councillor Sithole spoke on behalf of UDM and appreciated the good behaviour shown by the Chief Financial Officer.
-) Councillor Auld on behalf of the DA, wished her well though her stay in the Institution was short.
-) The Chief Whip spoke for the ANC and thanked the Chief Financial Officer for the good service and the turnaround that was visible within the institution finances..
-) Councillor Kabane, as the Portfolio Head of Budget and Treasury appreciated the information shared by the Chief Financial Officer with her well rounded academic experience she was leaving behind would be useful in assisting the department and the institution moving forward.
-) The Executive Mayor thanked her for the role she had played by showing her skills and be able to assist the institution to retrieve huge some of monies that could not be accessed. She wished her well in her ventures.
-) In her reply the Chief Financial Officer thanked the Council for the kind words, although the stay was short she thanked the Council for an opportunity that was given to her and wished the Council well.

In his closing remarks the Speaker thanked everyone who attended the meeting and the participation in the Council deliberations. He requested members to travel safe during the Easter weekend.

There being no further business to discuss, the meeting was declared closed at **12h15**.

N. NDIKINDA
SPEAKER

Good morning

Municipal Speaker, Executive Mayor,
Chief whip of Council, Municipal Manager,
Chairperson of Mpac, Hon Councillors,
Officials and Traditional leaders I
greet you all

The first organisation that fought for
~~their~~ human rights was Imbumba
Yamanyama, which was formed in 1882.
From there it lead to another organisation
such as ANC. Blacks were fighting for
their rights. In South Africa, Human Right
day is celebrated on 21st March. On this
day it is to empower the people so that
the democratic processes becomes known
to all South Africans. Human Rights day
in South Africa is historically linked with
21 March 1960, ^{whereby} 69 people died and ^{about} 180 were
wounded when police fired on a peaceful
~~to~~ ~~crowd~~ crowd that had gathered in protest
against the pass laws. These occurred in places
such as Langa in Western Cape and Sharpsville
in Transvaal. We we need to restore
African humanism. Let's stand together
and fight ~~against~~ ^{against} xenophobia. In South Africa
everyone has got the right to liberty
and freedom. Live your life free of
discrimination

Thank you

2018

ANNEXURE 'B'

Saturday

Saterdag
Mgqibelo
Mokibelo
Moqibelo
Lamathatso
Umgqibelo
Mugivhela
Mugivhela
uMgqibelo
uMgqibelo

13 OCTOBER

week 41

286•079 EFF. CLHR : MATSHOBENI

08:00 The Human Rights Day is a public
09:00 holiday in South Africa. It falls on
10:00 the 21 of March and was declared by
11:00 the former president in 1994 Nelson
12:00 Mandela after the Sharpsville massacre
13:00 of March 21 1960 of the same day
14:00 at the same place.

15:00

16:00 people of Sharpsville Township near
17:00 Vereeniging heeded a call by
Robert Mangaliso Sobukwe a fiery

P.A.C leader who originated
from Graa-Reinhet in E.L.
people were to hand over

week 41

287•078 their so called compasses

Sunday

Sondag
Ngusondarha
Lamorena
Sontaha
La Tshipi
Lisontfo
Swondaha
Sonto
Cawa
Cawa

14 OCTOBER

08:00 or reference back to the apartheid officials.
09:00 They were to hand themselves over by
10:00 their leaders to the police to be arrested.
11:00 What followed was too ghastly to
12:00 contemplate. Mayhem broke loose
13:00 women with babies on their backs, men
14:00 on their bicycles were mowed down
15:00 unarmed with automatic rifles. 69 died
16:00 immediately while hundreds were injured.
17:00 Human Rights must be promoted to avoid
all form of Abuse some of which are: Sexual
abuse, Physical Abuse, Women Abuse, Child Abuse.

JULY 2018							AUGUST 2018							SEPTEMBER 2018							OCTOBER 2018							NOVEMBER 2018							DECEMBER 2018							
M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	
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9	10	11	12	13	14	15	13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16	
16	17	18	19	20	21	22	20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23	
23	24	25	26	27	28	29	27	28	29	30	31			24	25	26	27	28	29	30	29	30	31				26	27	28	29	30			24	25	26	27	28	29	30		
30	31																																									

OCTOBER

15

Monday

Maandag
Ngumvulo
Mosupologo
Mantaha
Mosupologo
Umsombuluko
Musumbuluwo
Musumbunuku
uMvulo
uMsombuluko

2018

week 42

288•077

07:00

07:30

08:00

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09:00

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11:00

11:30

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16:30

17:00

17:30

18:00

18:30

19:00

It must be promoted in order to
correct imbalances in terms of gender
in all the sectors of society.

JANUARY 2018

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY 2018

M	T	W	T	F	S	S
			1	2	3	4
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

MARCH 2018

M	T	W	T	F	S	S
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19	20	21	22	23	24	25
26	27	28	29	30	31	

APRIL 2018

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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

MAY 2018

M	T	W	T	F	S	S
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JUNE 2018

M	T	W	T	F	S	S
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Chairperson
MPAC Manager

Honourable Speaker, Executive Mayor, Whip, Councillors of all Parties, Portfolio Heads, Traditional Leaders, Municipal Manager and Corporate Personnel, and any other member in the House

Good Morning!

March is the month for commemorating Human Rights. The term is exactly what it says: the rights of every single human being.

The celebration of this day has a longer history that just that falling within the South African context.

In 1948 the United Nations General Assembly declared 30 Articles of human rights in the Universal Declaration of Human Rights in Paris, France. It established human rights on the basis of humanity, freedom, justice and peace and came soon after World War II.

The entire world had become more aware of human rights. Our own country has its own build-up to human rights woven into its own political and historical canvas with very definite time-lines.

In 1948 the National Party took control of the country and apartheid started taking centre stage. The pass, a reference book was signed into law by the National Party who enforced racial segregation. In 1952 the Native Laws Act was amended, controlling movement of African men of 16 years and older by requiring them to carry at all times the reference book, commonly known as a pass or "dompas". Failure to do so led to immediate imprisonment.

This dehumanising act caused the Pan African Congress led by their leader, the late Robert Sobukwe to call for protests against the pass law. That was 1960, 21 March. The peaceful protest of masses at the police station in the township of Sharpeville ended in tragic fatalities and injuries caused by police. Government declared a state of emergency and banned the PAC and ANC. The world was watching and this brutality focused squarely on the country's apartheid atrocities. International sanctions against South Africa followed. Ultimately 1986 saw the repeal of the pass laws.

It is with much joy that it can be said that South Africa has moved a long way since those days. In 1994 South Africa was facing a new and welcomed political dispensation. All living in the country were liberated and democracy became a much-used popular term. After the first democratic election with Nelson Mandela, from the ANC, as the very first president of the new rainbow nation, 21 March was proclaimed a national public holiday on the annual calendar.

It is the responsibility of the state to ensure safety and security of every citizen. It was the realisation of the vulnerability of humans and a precondition for the possibility of a just society that led to the Bill of Rights, Chapter 2 enshrined in the Constitution of South Africa. All forms of human violations are protected within this Bill and fundamentally it embeds the rights of all across many spheres and strongly affirms democratic values of human dignity fought for so hard until all people were equal and free.

Human rights are moral principles or norms connected to human behaviour standards. They are protected in law. They are universal and inherent in all human beings. It starts with each one of us.

Let us remind ourselves: substantive rights include the right to life, freedom from torture and slavery, freedom of speech, thoughts, conscience, religion, movement and the right to a fair trial.

Every human right has connected to it a responsibility , an accountability from each of us, the way we treat and respect one another and contribute to all to live dignified lives.

It is the year 2018 and we have just celebrated Human Rights Day. 24 years after the new South Africa came into being it is time to assess and see how well we have been doing as a country.

Sadly we continuously observe, read and hear about rights being violated. Parliament marred by ill discipline, , school children falling into toilets, many villages still without toilets, only the bush for a toilet, irregular water provision, school children being tested for HIV without their consent, loss of opportunities to the poor owing to corruptive greed, murders, numbers of affected citizens dying undignified deaths and hatred amongst one another. ^{and shooting of the innocent, and gender violence} In all of these in some way or another the rights of the vulnerable have been violated leaving them indignified. Have we succeeded as a nation? Is our moral compass not out of alignment?

Our duty is to become more vigilant and contribute to the dignity of everyone in whichever way we can. Proudly the DA's vision is hotly aligned with the Bill of Rights when the party pronounces on Opportunity, Fairness and Freedom recognising the rights of every citizen in a responsible manner and carrying out their duties and societal task in disciplined fashion. One nation with one future built on Freedom, Fairness and Opportunity for all living under the constitution in peace, security and prosperity where every person is free, and where every language and culture has equal respect and recognition.

Thank you

Councillor Konza 'ANC'

**HUMAN RIGHTS COMMEMORATION SPEECH TO ADM COUNCIL MEETING OF
THE 28TH MARCH 2018**

Honourable Speaker, Executive Mayor, Whip of council, MPAC chairperson
Mayoral committee members, Councillors, Traditional Leaders
Municipal Manager, Managers, officials, members of the public
Guests, colleagues and comrades

Let me greet you today in the name of the heroes and heroines of our struggle - past and present under this year's government theme for the Human Rights month: 'The year of Nelson Mandela – promoting and deepening a culture of human rights across society'. Allow me to salute those who bear indelible scars of our past, and whose endurance and resistance, are scribbled in the history of our struggle. Those whose dignity is now an inheritance of their great grandchildren, whilst they themselves never tasted it. We are here this moment and now living a tomorrow they fought for relentlessly, with zeal, bravery and commitment. Referring to these selfless stalwarts in his speech in a meeting in London on the 21st March 1980, tata Oliver Tambo had this to say 'We in South Africa – the African National Congress in particular – accept the responsibility for the fact that we are entertaining in our country, maintaining a regime that is spreading terror among peaceful people who have struggled for their independence, sacrificed for it and would like to enjoy it'.

This was one of the many speeches made to commemorate the Sharpeville massacre. A merciless bloodbath that was preceded by a peaceful march. The march began with a festive atmosphere, a demonstration by the indigenous people against Pass laws that served to severely restrict and control their travel. The marchers were armed only with the passes they were returning to the police stations and were calling for the scrapping of the laws that dictated as to when, where and for how long black South Africans could stay within the then white areas.

To this day comrades, as gathered here, we continue to claim their victories and we live to see the sacrifices they made with their lives not to be in vain. We are in a today bearing footprints of the miles our forefathers travelled and we have pictures of the stains of the blood they shed when they fought the wars of colonial resistance, and those against land dispossession. We now narrate to our own children, with hardship I must say, honourable speaker, the barbaric loss of lives in the massacres that seem vivid in our minds.

I have to draw these inferences, colleagues and comrades, with a conscious intention of showing that the 1960 Sharpeville massacre was not an isolated barbaric act to human kind. The 69 lives lost and about 180 victims wounded on that dreadful 21st day of March – 57 years ago - were a number out of many, young and old, that had been lost through the atrocities of the government of the time, a 'regime' that O.R Tambo was referring to. Whether one talks about the Sharpeville massacre of 1960 concurrently with that of kwaLanga in Cape Town; or the Soweto uprisings in 1976; or the one in KwaNobuhle - Uitenhage in 1985; or the Boipatong massacre in June 1992 or even closer home - the Bisho massacre of 7th September 1992, in all of them and many others, peoples' human rights were grossly trampled on. These incidents further violated Section 10 of Chapter 2 (i.e The Bill of Rights) of the Constitution of the Republic, which clearly states that

“Everyone has inherent dignity and right to have their dignity respected and protected” and Sec 11 with “Everyone has the right to life”.

That is why as Amathole, my dear councillors, like many others across the country, while celebrating the centenaries of amaqhawe utata u Nelson Rholihlahla Mandela and mama Albertina Sisulu, we must continue to check whether we are still on the right track. We can't relax. Complacency never pays for the wise. Whilst we are doing a lot of good work as the district, we should continue to ask ourselves whether we are doing enough to respect the rights of our people as espoused in the 10 clauses of the Freedom charter and subsequently enshrined in chapter 2 of the Constitution of our country. If, councillor Jacobs and the house, “water is life and sanitation is dignity” according to the department of water and sanitation, are we to relax with the backlogs we have in our rural areas and the dilapidated infrastructure in our small towns? We can't, for both of these are issues of dignity and a right to life. I must hasten to say though that as this district we have done a lot to correct the injustices for our Amathole people than any govt that led and those who aspire to lead as a farfetched dream. In the same vein, we should not tire to educate our people that rights come with responsibilities. The effort they put in protecting the infrastructure, stopping illegal connections and preserving water, for an example, should be as important to them as having these rights.

Equally, we must be perturbed when we get items, as we do in today's agenda, which deal with a huge number of early childhood care centres and old age facilities that are not complying within our district. We must show urgency to assist them to comply as they deal with the most vulnerable and the meekest of our communities. We can't have similar Esidimeni incidents. Instead, we should learn from them. We can't be party to undermining human/children's rights. Honourable councillors, we cannot be quiet when children at our own backyard, in Engcobo, were sexually coerced and even barred from receiving education, the latter which the ANC has as a priority in all its manifestos. When our policemen/women are killed like flies at their call of duty; when racism ravages the dignity of our people, and when our local municipalities struggle to get expedient responses to our peoples' land claims, depriving them of a right to own property, we can't be mum as this district.

As Tatu Mandela said in his message on the 20th March 1996 ‘Our drive for human dignity and basic rights is premised on the development of our country and the improvement of the living conditions of the people, The freedom whose virtue we are extolling will be meaningless in the face of grinding poverty and under development’. To achieve Madiba's wishes, honourable Speaker, the policies we develop, like those we are approving today, should be sensitive to addressing these pressing anomalies. Our Supply chain policies, in particular, should aggressively undo the socio-economic inequalities in our region.

As we close the Human Rights month let us live to our slogan as Amathole, let's proclaim boldly that ‘We shall serve’, ‘Siyakukhonza’ as Madiba, mama Sisulu and other leaders showed us.

MAKWANDE!! AMANDLA!!!



AMATHOLE DISTRICT MUNICIPALITY

MINUTES

SPECIAL COUNCIL MEETING

THURSDAY, 26 APRIL 2018

11H00

CONFIDENTIAL
NOT FOR PUBLICATION

AMATHOLE DISTRICT MUNICIPALITY

MINUTES OF THE SPECIAL COUNCIL MEETING HELD AT CALGARY CONFERENCE CENTRE, EAST LONDON ON WEDNESDAY, 28 FEBRUARY 2018 AT 11H08

PRESENT: COUNCILLORS

Ndikinda, N	-	(Speaker)
Nxawe, NW	-	(Executive Mayor)
Ndwayana, SE	-	(Council Chief Whip)
Mfecane, N	-	(MPAC Chairperson)
Auld, CA	-	Raymond Mhlaba Local Municipality
Badi, XC	-	Raymond Mhlaba Local Municipality
Balindlela, T	-	Amahlathi Local Municipality
Bomela, Z	-	Mnquma Local Municipality
Bonga, N	-	Proportional Representative
Dywili, MD	-	Raymond Mhlaba Local Municipality
Ganjana, BM	-	Proportional Representative
Genyane, C	-	Mbhashe Local Municipality
Goniwe-Mafanya, T	-	Mbhashe Local Municipality
Goniwe, PB	-	Proportional Representative
Jack, P	-	Raymond Mhlaba Local Municipality
Jacobs, L	-	Proportional Representative
Kabane, Z	-	Proportional Representative
Lombard, J	-	Proportional Representative
Magwaca, KG	-	Mnquma Local Municipality
Matshobeni, A	-	Proportional Representative
Mevana, NV	-	Great Kei Local Municipality
Mgidlana, N	-	Proportional Representative
Mnqokoyi, Z	-	Mnquma Local Municipality
Msindwana, K	-	Mbhashe Local Municipality
Namba, MM	-	Proportional Representative
Ncanywa, D	-	Ngqushwa Local Municipality
Ngaye, T	-	Raymond Mhlaba Local Municipality
Nqwena, N	-	Mbhashe Local Municipality
Nyalambisa, N	-	Mbhashe Local Municipality
Plaatjie, N	-	Proportional Representative
Rulashe, N	-	Proportional Representative
Sitole, PS	-	Proportional Representative
Siwisa, MT	-	Ngqushwa Local Municipality
Siyo, Z	-	Mnquma Local Municipality
Tekile, NW	-	Proportional Representative
Tolobisa, MD	-	Proportional Representative
Tyodana, XM	-	Mbhashe Local Municipality
Xhongwana, Z	-	Mnquma Local Municipality
Zuka, S	-	Proportional Representative

[39]

TRADITIONAL LEADERS

Inkosi Kaulela, MW
Inkosana Poswa, N
Inkosi Bulube, VS
Inkosi, Ndlazi, NN
Inkosi Mqalo, K
Inkosi Tuswa, MN
Inkosi Mditshwa, MT
Inkosi Zunguzane, GT

[08]

OFFICIALS

Dr Mnyimba, T.T.	-	Municipal Manager
Ms Simanga, L	-	Director: Legislative & Executive Support Services
Ms Mniki Y.H	-	Director: Community Services
Mr Dliwayo M	-	Director: Corporate Services
Ms Tinta A	-	Director: Strategic Planning & Management
Mr Govu L	-	Director: Engineering Services
Mr Mnweba S	-	Director: Land Human Settlements & Economic Development
Ms Kieck, S	-	Acting Chief Financial Officer
Dr Kwaza, M	-	General Manager: Internal Audit
Rev Mkentane, B.Z	-	Senior Manager: LSS
Ms Tom L, T	-	Senior Manager: Council Support
Mr Makunga, S	-	Senior Manager: Communications
Mr Bovu, A	-	Manager: Council Support
Mr Taleni, NM	-	Assistant Manager: Outreach & Constituencies
Ms Mnapu P	-	Senior Administrative Officer: Council Support
Ms Dyushu, N	-	Acting Personal Assistant to the Executive Mayor
Ms Solundwana, L	-	Administrative Officer: Council Support
Mrs Mbutuma, S	-	Administrative Officer: Council Support
Ms Ntwanambi, F	-	IT Technician
Ms Maqolo, N	-	Intern: IGR

ALSO IN ATTENDANCE

None

ABSENT: COUNCILLORS

Skelenge, N	-	Mnquma Local Municipality
Pose, N	-	Amahlathi Local Municipality

3. OPENING AND SPEAKER'S COMMUNICATION

The Speaker of ADM Council and the Executive Mayor took the Chair at 11h15.

He then requested members of Council to observe a moment of silence for prayer and meditation and further welcomed the Executive Mayor, Chief Whip, Chairperson of the MPAC, members of the Mayoral Committee, Traditional Leaders, Councillors, members of the opposition parties and

the Administration as led by the Municipal Manager, Dr T.T.Mnyimba and members of the public to the Special Council meeting. The Speaker informed the Council about the Municipal Manager's achievement of receiving a doctorate and was also celebrating his birthday a few days prior the Council meeting.

In his welcoming remarks the Speaker mentioned that the main purpose of the Special Council meeting was to consider matters of compliance.

He also mentioned that the meeting was convened just a day before the Freedom Day, which served as a reminder to South Africans of the long ques in 1994 when black people were casting their votes for the first time to set the country in a radically new democratic path.

The Speaker also mentioned that South Africa has lost icons like Winnie Nomzamo Madikizela-Mandela, Dr Zola Skweyiya and Dr Sibeko who all passed on in April 2018, the same month the late Chris Hani was killed by the cruel apartheid machinery.

He then mentioned that in remembering the gallant soldiers of the revolution, the country should double its efforts in advancing the freedom for which they dedicated their lives and died to see them realised.

The Speaker highlighted that South Africa had changed radically since 1994 due to the bold policies of the current government which were aimed at improving the lives of the people. The incidents in Keiskamahoeek were a reminder that there was still a lot of work that needed to be done to ensure that the fruits of freedom reached everyone.

Continuing the Speaker mentioned that on Wednesday, 25 April 2018, ADM Troika had a meeting with the Speaker of the Legislature, wherein a programme to take the Legislature to the people was talked about. The ADM was therefore tasked to carry the programme through which was to take place in October 2018. He ended by mentioning that the Amathole Council as a government entity had been given a responsibility to improve people's lives.

4. ADOPTION OF THE AGENDA

RESOLVED

That the Agenda of the Special Council meeting dated 26 April 2018 be **ADOPTED**.

3. APPLICATION FOR LEAVE OF ABSENCE

That the following leave of absence received from Councillors be noted:

Maneli, S	-	Ngqushwa Local Municipality
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4. APOLOGIES

RESOLVED

That the following apologies received from Councillors be noted:

Baleni, X	-	Mbhashe Local Municipality [Family commitment]
Hobo, A	-	Amahlathi Local Municipality [Medical reasons]
Konza, N	-	Proportional Representative [Medical reasons]
Mantshiyose, L	-	Mbhashe Local Municipality [attending another meeting]
Tshona, NR	-	Mnquma Local Municipality [bereaved]

[5]

TRADITIONAL LEADERS

None.

5 REPORTS BY THE EXECUTIVE MAYOR

5.1 ITEMS APPROVED BY THE EXECUTIVE MAYOR IN TERMS OF THE DELEGATION OF POWERS

5.1.1 MUNICIPAL FINANCIAL VIABILITY

5.1.1.1 REPORT ON THE ESTABLISHMENT OF A BEST PRACTICE TIME FRAME MODEL FOR AWARDING CONTRACTS

[File No. 8/2/R]

[Author: Acting Chief Financial Officer/SK/cb]

[MC: 25 April 2018]

[Special Council: 26 April 2018]

-) On the question which was raised as to who the Bid Committee members which needed training were and whether the Institution would be able to pay for it?
-) It was reported that best practice was that tenders should be processed within 52 days instead of 57 which led to under spending and that procurement was also compromised by the change of Management. It was mentioned that the report was the monitoring tool for the institution.
-) It was further reported that the reasons for not meeting timeframes were the moratorium, transition of the Municipal Manager and the new Directors. Also National Treasury had new regulation and new procurement processes hence the need for trainings of the newly appointed Directors as some other Directors had already been trained. The training was offered by National Treasury through DBSA.
-) It was reported that the issue of financial viability would be dealt with when reporting on the Section 52(d) in item 5.1.1.7.

RESOLVED

That the report on the Establishment of a Best Practice Time Frame Model for Awarding Contracts in terms of BL MFV&M 1/14 of the SDBIP (Q3), be noted.

5.1.1.2 3rd QUARTERLY REPORT ON CONTRACTUAL COMMITMENTS AND PERFORMANCE OF SERVICE PROVIDERS (BSD&II 8/2)

[File No. 8/2/R]

[Author: Acting Chief Financial Officer/SK/cb]

[MC: 25 April 2018]

[Special Council: 26 April 2018]

RESOLVED

That the report on the 3rd Quarter 2017/2018 financial year Contractual Commitments and Performance of Service Providers in terms of the 2017/2018 SDBIP, BSD&II 8/2, **be noted**.

5.1.1.3 REPORT ON THE PERCENTAGE SPENT ON BROAD-BASED BLACK ECONOMIC EMPOWERMENT FOR GOODS AND SERVICES PROCURED THROUGHOUT THE DISTRICT

[File No. 8/2/R]

[Author: Acting Chief Financial Officer/SK/cb]

[MC: 25 April 2018]

[Special Council: 26 April 2018]

RESOLVED

That the report on the percentage spent on Broad-Based Black Economic Empowerment (B-BBEE) for goods and services procured throughout the District in terms of TL LED 1/10 of the SDBIP (Q3), be **noted**.

5.1.1.4 3RD QUARTER REDUCTION IN NUMBER OF DEVIATIONS REPORT FOR 2017/2018 FINANCIAL YEAR IN TERMS OF THE 2017/2018 SDBIP, MFV 1/12

[File No. 8/1]

[Author: Acting Chief Financial Officer/S.K./cb]

[MC: 25 April 2018]

[Special Council: 26 April 2018]

RESOLVED

- (a) That the reduction in the number of deviations for the Third quarter 2017/2018 financial year in terms of the 2017/2018 SDBIP, MFV 1/12, be noted.
- (b) That the breaches for the second quarter 2017/2018 ratified by the Municipal Manager, be noted.

5.1.1.5 WITHDRAWALS FROM THE MUNICIPAL BANK ACCOUNT FOR THE SECOND QUARTER ENDING 31 DECEMBER 2017

[File No: 5/1/R]

[Author: Acting Chief Financial Officer/SYK/sk]

[MC: 25 April 2018]

[Special Council: 26 April 2018]

RESOLVED

That the information contained in the quarterly withdrawals report for the second quarter ending 31 December 2017 be noted.

5.1.1.6 WITHDRAWALS FROM THE MUNICIPAL BANK ACCOUNT FOR THE THIRD QUARTER ENDING 31 MARCH 2018

[File No: 5/1/R]

[Author: Acting Chief Financial Officer/SYK/sk]

[MC: 25 April 2018]

[Special Council: 26 April 2018]

RESOLVED

That the information contained in the quarterly withdrawals report for the third quarter ending 31 March 2018 be noted.

5.1.1.7 SECTION 52(d) REPORT FOR THE THIRD QUARTER ENDING 31 MARCH 2018

[File No: 5/1/R]

[Author: Acting Chief Financial

Officer/SYK/scg/nm]

[MC: 25 April 2018]

[Special Council: 26 April 2018]

-) On the issue of the institution's financial viability it was reported that the Institution was financially bankrupt, as there were no funds to last the rest of the financial year.
-) It was further reported that the Institution was now depending on grants, and that money for June salaries was not available but the Institution needed to find a way of paying salaries for the month of June.
-) On the issue of bad financial situation and financial bail out, it was resported that there has not been any luck in looking for bailouts but the Institution still has to find ways of resolving its problems which were inclusive of the SAP system.
-) The Council requested a detailed report on how the institution would overcome the financial issues and such report should be made available in the May Council meeting.
-) On page 206, on list of Councillors and Officials owing the Institution, clarity was requested as to whether that statement showed a true reflection.
-) It was reported that the SAP system was not recognizing the process of deducting money automatically, therefore statements were done manually in order for Councillors and staff to get updated statements and that their names would be cleared in the May list.

- J A report with the benefits of using the SAP system was of any benefit to the Institution was requested.
- J A suggestion was made that the Council should note the report as it was a compliance report with corrections to be made.
- J It was advised that the Council had complied by tabling the report but the report had gaps which needed to be corrected and presented in the May Council meeting.

RESOLVED

That Council;

- (a) Notes the performance of the Municipality's budget and financial state of affairs for the third quarter ended 31 March 2018;
- (b) Notes the MFMA Section 66 reports, relating to employee costs and benefits, for the third quarter ended 31 March 2018;
- (c) Notes the report on the withdrawals made during the third quarter from the Municipal bank account in terms of Section 11 of the MFMA.
- (d) Notes the report on supply chain management for the third quarter ended 31 March 2018;
- (e) Notes the report on deviations and breaches for the third quarter ended 31 March 2018 amounting to **R8,539,192.78**;
- (f) Notes the awards of bids and quotations during the third quarter ended 31 March 2018;
- (g) Notes the unauthorised, fruitless and irregular expenditure and refers the items to MPAC for further investigation in order to determine whether expenditure is to be recovered.

5.2.1 BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

5.2.1.1 AMATHOLE DISTRICT MUNICIPALITY (ADM) PROGRESS REPORT MUNICIPAL INFRASTRUCTURE (MIG): PERFORMANCE AS AT END OF THIRD QUARTER 2017/2018 FY.

[File No. 12/2/1/6]

[Author: Director: Engineering Services/LG/nb]

[MC: 25 April 2018]

[Special Council: 26 April 2018]

RESOLVED

That the progress report on the MIG performance as at the end of third quarter 2017/ 2018 FY, be noted.

5.2.1.2 PROGRESS REPORT ON THE WATER SERVICES INFRASTRUCTURE GRANT (WSIG AS AT END OF THIRD QUARTER 2017/18

[File No. 16/1]

[Author: Director: Engineering Services /LG/nb/lj]

[MC: 25 April 2018]

[Special Council: 26 April 2018]

) The good work done by the Engineering Department was appreciated and the spending on toilets which moved from 17% to 48% in a short space of time showed dedication by the Executive Mayor, Portfolio Head, Department and the newly appointed Director who had made a difference since his arrival.

RESOLVED

That the progress report on the Water Services Infrastructure Grant (WSIG) as at end third of quarter 2017/18 FY, be noted

C. CONFIDENTIAL REPORT

C.1 MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT

C.1.1 PROGRESS REPORT ON THE FILLING OF THE VACANT POSITION OF A CHIEF FINANCIAL OFFICER

[File No. 4/3/R]

[Author: Municipal Manager/TT/md]

[MC: 25 April 2018]

[Special Council 26 April 2018]

RESOLVED

- (a) That Council takes note of the recruitment and selection process of the Chief Financial Officer.
- (b) That Council approves the recruitment and selection panel members for the Chief Financial Officer position.
- (c) That Council takes note of the proposed dates for short-listing and interviews the Chief Financial Officer position.

7. CLOSURE

In his closing remarks the Speaker informed the meeting that the National Minister of Co-operative Governance and Traditional Affairs would visit municipalities in the Province in May 2018. He thanked everyone who attended the meeting and the participation in the Council deliberations.

There being no further business to discuss, the meeting was declared closed at **12h30**.

**N. NDIKINDA
SPEAKER**

REPORTS BY THE EXECUTIVE MAYOR

7 REPORTS BY THE EXECUTIVE MAYOR

7.1 ITEMS APPROVED BY THE EXECUTIVE MAYOR IN TERMS OF THE DELEGATION OF POWERS

7.1.1 MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

7.1.1.1 SECOND QUARTER REPORT ON 3 MONTHS TURNAROUND TIME IN FILLING ALL VACANT AND FUNDED POSITIONS AS PER SDBIP: KPI 1

[File No: 4/8/3]

[Author: Director Corporate Services /MD/pb/ad]

[MC: 11 April 2018]

[Council: 31 May 2018]

PURPOSE

To provide a quarterly report on 3 months turnaround time in filling all vacant and funded positions for the second quarter of 2017/2018 financial period for noting.

AUTHORITY

-) The Local Government Municipal Systems Act 32 of 2000 as amended.
-) The Council approved SDBIP for 2015/16 Financial Year
-) The ADM Establishment Plan for 2015/2016

LEGAL/ STATUTORY REQUIREMENTS

-) In terms of Section 67 (1) of The Local Government Municipal Systems Act 32 of 2000 as amended, the Council must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration including the recruitment, selection and appointment of persons as staff members.
-) The MFMA goes further to require municipalities to approve SDBIP's within 28 days after the approval of the budget by Council.
-) An Establishment Plan is an approved organizational plan that contains the posts' structure of the institution

BACKGROUND/REASONING

The 2017/18 SDBIP indicator for this programme is the 3 months turnaround time in filling all vacant and budgeted posts.

The SDBIP target and update for quarter two is as follows;

Q2 deliverable target	Actual at end of Q2	Annual Target	Evidence
To report on the 3 months turnaround time to fill existing, critical and funded vacant posts.	Quarterly report (for Q2), In this report the 3 months turnaround target for the nine (9) positions had been met, and for the positions of 4 Directors has not been met due	3 months turnaround time to fill existing, critical funded and vacant posts	<ul style="list-style-type: none">) Quarterly report) A system's report (engagement report & termination report),) Post budget report

EXPOSITION OF FACTS

No positions have been identified to be filled from the recruitment planning point of view for 2017/2018 financial period, subsequent to honouring and respecting the Municipal Manager's task of assessing the relevance of the existing institutional job structure as against the available posts' budget. Emanating from the afore-mentioned assessment is that each HoD may request for the filling of their critical positions via the Office of the Municipal Manager for approval.

Hereunder are positions that were approved to be filled by the Office of the Municipal Manager and the Council:

NO.	NAME & SURNAME	PLACE OF RESIDENCE AS PER THE APPLICATION	POSITION & TASK GRADE	DEPARTMENT	DATE OF ADVERTISEMENT	SHORT - LISTING DATE	INTERVIEW DATE	DATE ON WHICH RECOMMENDATION FOR EMPLOYMENT WAS SENT TO MM FOR APPROVAL	DATE OF APPOINTMENT	OCCUPATIONAL LEVEL	GROUP /GENDER
1.	A. Sigadla	Nqamakwe	Senior HR Clerk-Recruitment & Selection : 1 st Floor TG 7/8	Corporate Services Department	17/04/2017	25/05/2017	26/06/2017	26/06/2017	01/10/2017	Semi-Skilled	Black/ Male
2	T. Njeza	East London	Personal Assistant to the Director Community Services: 1 st Floor TG 12	Community Services Department	23/06/2017	17/07/2017	24/08/2017	24/08/2017	01/10/2017	Skilled Technical	Black/ Female
3	A. Magayiyan	East London	Payroll Administrator Employee Benefits: 1 st Floor TG 10	Corporate Services Department	22/06/2017	24/08/2017	12/09/2017	12/09/2017	01/10/2017	Skilled Technical	Black/ Female
4.	N.P. Heka	Adelaide	Senior Credit Control Officer:	Budget & Treasury Office	23/06/2017	18/07/2017	13/09/2017	13/09/2017	01/10/2017	Skilled Technical	Black/ Female

			Raymond Mhlaba TG 12/13								
5.	N. Putuma	Queenstown	Senior Credit Control Officer: Amahlathi TG 12/13	Budget & Treasury Office	23/06/2017	18/07/2017	13/09/2017	13/09/2017	01/10/2017	Skilled Technical	Black/ Female
6.	S. Mbovane	Chintsa	Cashier: Temporary (3 months Fixed Contract) Chintsa Area	Budget & Treasury Office	28/08/2017	18/09/2017	29/09/2017	29/09/2017	01/10/2017	Semi-Skilled	Black/ Female
7.	N. Mgijima	Kei Mouth	Cashier: Temporary (3 months Fixed Contract) Kei Mouth Area	Budget & Treasury Office	28/08/2017	18/09/2017	29/09/2017	29/09/2017	01/10/2017	Semi-Skilled	Black/ Female
8.	N. V. Jolingana	Fort Beaufort	Cashier: Raymond Mhlaba TG 7/8	Budget & Treasury Office	23/06/2017	17/07/2017	24/08/2017	01/10/2017	01/11/2017	Semi-Skilled	Black/ Female
9.	S. Puta	East London	Senior Manager: Executive Support Services 2 nd Floor TG 16/17	Legislative & Executive Support Services	23/06/2017	21/09/2017	06/10/2017	06/10/2017	01/11/2017	Professional	Black/ Male

10.	L.F. Govu	Port Elizabeth	Director: Engineering Services 1 st Floor Top Management	Engineering Services Department	07/04/2017 (Daily Dispatch) 09/04/2017 (City Press) Re-Advert 09/06/2017 (Daily Dispatch) 11/06/2017 (City Press)	19/07/2017	24/07/2017	20/09/2017	01/11/2017	Top Management	Black/ Male
11.	S.S. Mnweba	East London	Director: LHSED 2 nd Floor Top Management	Land ,Human Settlement & Economic Development Department	07/04/2017 (Daily Dispatch) 09/04/2017 (City Press) Re-Advert 09/06/2017 (Daily Dispatch) 11/06/2017 (City Press)	19/07/2017	25/07/2017	20/09/2017	01/11/2017	Top Management	Black/ Male
12.	M.A, Dliwayo	East London	Director: Corporate Services 1 st Floor Top Management	Corporate Services Department	07/05/2017 (City Press) 08/05/2017 (Daily Dispatch) Re-Advert 09/06/2017 (Daily Dispatch) 11/06/2017	19/07/2017	24/07/2017	20/09/2017	01/11/2017	Top Management	Black/ Male

13.	A.N. Tinta	East London	Director: Strategic Planning & Management 2 nd Floor Top Management	Strategic Planning & Management Department	(City Press) 07/05/2017 (City Press) 08/05/2017 (Daily Dispatch) Re-Advert 09/06/2017 (Daily Dispatch) 11/06/2017 (City Press)	19/07/2017	25/07/2017	20/09/2017	01/11/2017	Top Management	Black/ Female

Column 6 & 9 of the table above, depicts the posting date and date on which the recommended candidates' memo was submitted to the office of the Municipal Manager. These two columns merely identify whether the 3 months turnaround time in the filling of positions has been met or not.

In this report the 3 months turnaround target for the nine (9) positions had been met, and for the positions of 4 Directors has not been met due to the following reasons:

-) The four Section 56 posts were initially advertised in the Daily Dispatch and City Press on 7 April 2017 and 9 April 2017 for two posts of Engineering Services and LHSED Departments whilst the other two posts i.e. Corporate Services and Strategic Planning & Management were advertised on 8 May 2017 and 7 May 2017 respectively in the same newspapers.
-) They were also affected by the Council resolution taken on 19 May 2017 and were retracted as was resolved. Re-advertisement of all four positions was done on the 9th & 11th of June 2017 in the Daily Dispatch and City Press respectively. The process of short listing unfolded with all its formalities; like requesting for names of panel members to participate from Council on 7 June 2017, after which a date for such was declared to be 19 July 2017.
-) Interviewing date was announced by the Municipal Manager to be the 24th and 25th of July 2017. During and after this period, other selection processes were to be implemented like Psychometric Assessments, Qualification Verification, Criminal Check and Behavioural Check. The Psychometric Assessment process took a long time to be completed since competing candidate's needs and busy schedule had to be considered. Assessor's busy schedule had to be catered for.
-) The appointments were tabled in the Council meeting of 20 September 2017 for approval, after which the Council reports were signed by the Executive Mayor on 2 October 2017 and dispatched to the MEC for his concurrence. The MEC's response was received on 19 October 2017, hence the appointees commenced duties on 1 November 2017.

STAFF IMPLICATIONS

There are no staff implications.

FINANCIAL IMPLICATIONS

- An amount of R73 551.04 was paid to Daily Dispatch and City Press for the positions that was advertised externally.
- An amount of R115 584.00 was paid to Work Dynamics for Competency Assessment for the positions of the Directors.

OTHER PARTIES CONSULTED

Relevant ADM Departments

ATTACHMENTS

There are no annexures

RESOLVED

That the quarterly report on 3 months turnaround time in filling of all vacant and funded positions for the second quarter of 2017/2018 financial period be noted.

7.1.1.2 SECOND QUARTER REPORT ON ADM TALENT RETENTION STRATEGY IMPLEMENTATION – 2017/2018: SDBIP KPI 7

[File No: 4/8/3]

[Author: Director Corporate Services/MD/ad/np]

[MC: 11 April 2018]

[Council: 31 May 2018]

PURPOSE

To provide a quarterly report on the implementation of ADM Talent Retention Strategy for quarter two (2) of 2017/2018 financial period for noting.

AUTHORITY

- The Local Government Municipal Systems Act 32 of 2000 as amended.
- The ADM Talent Retention Strategy Implementation
- The ADM SDBIP for 2017/18 Financial Year

LEGAL/STATUTORY REQUIREMENTS

-) Section 68 (1) of the Local Government Municipal Systems Act 32 of 2000 stipulates that a Municipality must develop its human resources capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way.
-) ADM Talent Retention Strategy Implementation is about finding the best employee for a job and finding ways of keeping these employees within the institution including empowering them to perform efficiently and effectively in their positions.
-) The ADM SDBIP for 2017/18 financial year, is an instrument designed to measure and monitor institutional performance in all four quarters of the financial year.

BACKGROUND/ REASONING

The 2017/18 SDBIP indicator for this programme is to conduct staff training on Organisational behaviour.

The SDBIP target and update for quarter two is as follows;

Q2 deliverable target	Actual at end of Q2	Annual Target	Evidence
To conduct one organisational behaviour training for ADM staff.	Quarterly report (for Q2), Two (2) Trainings on “Organisational Behaviour” were conducted on 26 and 27 October 2017 at Mnquma and Amahlathi Municipal Satellite areas	3 conducted Organisational Behavioural Trainings	) A quarterly report) A copy of attendance registers

	Over and above the requirements of KPI 7, Employment Equity workshops were also conducted on 26 and 27 October 2017 at Mnquma and Amahlathi Municipal Satellite areas,		
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EXPOSITION OF FACTS

Trainings on “*Organisational Behaviour*” were conducted on 26 and 27 October 2017 at Mnquma and Amahlathi Municipal Satellite areas, where fifty two (52) and fifty one (51) employees were in attendance. The objective of the training was to improve the quality of staff in relation to work ethics and entertain inputs if they arise.

Over and above the requirements of KPI 7, Employment Equity workshops were also conducted on 26 and 27 October 2017 at Mnquma and Amahlathi Municipal Satellite areas, where fifty one (51) and fifty (50) employees were in attendance. The objective of the workshops was to inform employees about status of ADM employment equity in relation to the prescripts of the Employment Equity Act and entertain inputs if they arise. The workshop was conducted efficiently and served as an overachievement in terms of this quarter’s scorecard indicator.

The above elucidation indicates that the deliverable target for quarter two (2) has been met and an overachievement realised subsequent to conducting the Employment Equity workshops and two Organisational Behaviour trainings.

STAFF IMPLICATIONS

There are no staff implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

OTHER PARTIES CONSULTED

All relevant Personnel

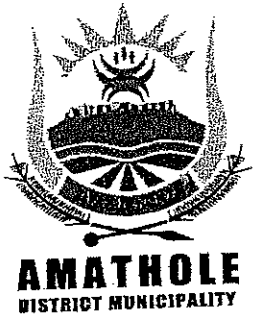
ATTACHMENTS

Attendance registers for the Organisational Behaviour Trainings as **Annexures “A”** Attendance registers for the Employment Equity workshops as **Annexure “B”**

RESOLVED

That the quarterly report on the implementation of ADM Talent Retention Strategy for quarter two (2) of 2017/2018 financial period be noted.

ANNEXURE A


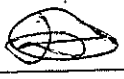
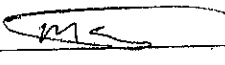




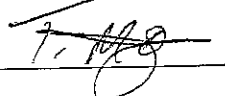



Amathole District Municipality
All correspondence to be addressed to:

Municipal Manager
Waverly Office Park, 3 - 33 Phillip Frame, Chiselhurst, 5247
P.O Box 320 * East London * South Africa * 5200
Telephone: 043 701 4000 * Facsimile: 043 742 0337
Email: info@amathole.gov.za * Web Address: www.amathole.gov.za

ATTENDANCE REGISTER: ORGANIZATIONAL BEHAVIOR TRAINING DATE: 26 OCTOBER 2017 VENUE: MNQUMA SATELLITE OFFICES

Name & Surname	Contact No.	Signature	Department
Zingisoa Dijo	043-7832235		C.S.
Xoliswa Gladile	043-7014028		C.S.
Pearla George	043-7832633		C/S
VUTSWA ITYIBA	043-7832280		C/S
Ndume Lubhedy	074 052 7871		ENG
Shirley NAYISELA	047 4915530		ENG
Phethe Mahoto	0761932038		ENG

M.W. DAE	0786567660	Murder	Foreman OKRI-
P. NOBENGUA	0784969244		0 1/4 m
K. NGOLO	0 —		0 1/4 m
M. SEYISI	060394308		FAIG
C. MAKALIMA	0719531315	9A	
P. Latshefu	0714456739	11	P 1
S. Mayeke	0835497286	Driver	
P. VOKO	0604235042	11	
N. BANGISO	0785143150	DRIVERS ASSIST	
T. Mgobo	0732021529		ENG
Z. HALLAM	0734153346	METER READER	BTO
B. KALIMASUE	0732768603	GIA	SB KALIMASUE
M. JOBECA	0730194674	Scup	

G. M. NJOJOKO	0795375848	G. M. NJOJOKO	ENGINEERING
I. MANGU	0641181224	I. MANGU	"
M. Mkenitane	0717509161	M. Mkenitane	"
M. A. Kaya ji	0710254112	M. A. Kaya ji	"
B. Mbangoli	0604947303	B. Mbangoli	"
X. MBANA	0604480048	X. Mbat	B.T.O
S. Dajis	0610573327	S. Dajis	B.T.O
D. Peni	0834330132	D. Peni	ENGINEERING.
S. XULASHE	0780583109	S. XULASHE	B.T.O
S. Phangen	0719103101	S. Phangen	ENG
B. KALIMASHE	0732768603	B. KALIMASHE	ENG
V. MADIKANE	0827598583	V. MADIKANE	ENG
ZE KOKO	0736783822	ZE KOKO	"

L. A BLERP	0785885429	A. BLERP	ENGINEERING
L. Peko	0632047481	L. Peko	ENGINEERING
M. NTLOKO	0736419577	M. NTLOKO	ENGINEERING
Z. Chessa	X2083	Z. Chessa	B.T.O
NF. KOKA	X2300	NF. KOKA	"
M. DUBHE	0782902020	M. DUBHE	B.T.O
A. MBAYA	0735194675	A. MBAYA	Engineering
S. BATWI	0721231268	S. BATWI	B.T.O
N. MBIKO	0732843020	N. MBIKO	Engineering
V. Ngceba	—	V. Ngceba	C.S
N. Ngumshu	—	N. Ngumshu	C.S
N. LAMBE	0788018981	N. LAMBE	C/S
A. Mangana	071 375 8126	A. Mangana	C/S
V. Nonkela	043 -783 2632	V. Nonkela	ENGINEERING

B. MCASA	ASSISTANT MANAGER	ext 2630	Alasa ENGINEERING
L. MAYODA	HR CLERK	4114	XXXXXXXXXX
T. XUNDU-KUBUYI	A SEN MANAGER	ext 2603	XXXXXXXXXX
Z. MAKALUZA	043 783 2256	XXXXXXXXXX	BTO
L. NQAWA	ASS MANAGER	XXXXXXXXXX	CC





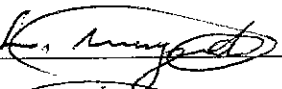
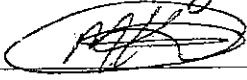

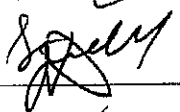
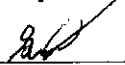





Amathole District Municipality
All correspondence to be addressed to:

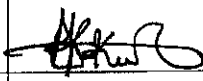
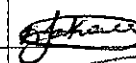
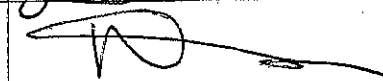
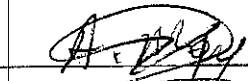
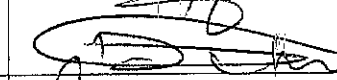


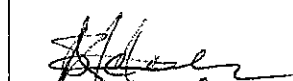

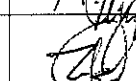


Municipal Manager
Waverly Office Park, 3 - 33 Phillip Frame, Chiselhurst, 5247
P.O Box 320 * East London * South Africa * 5200
Telephone: 043 701 4000 * Facsimile: 043 742 0337
Email: info@amathole.gov.za * Web Address: www.amathole.gov.za

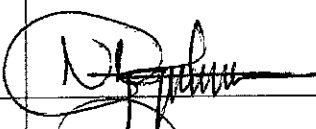
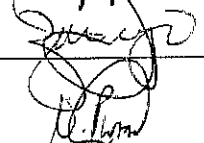
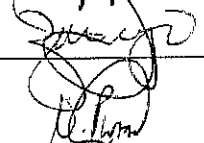
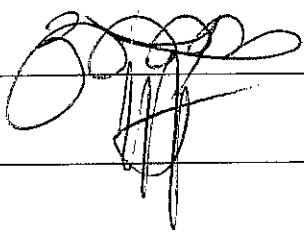
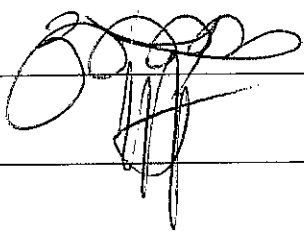
ATTENDANCE REGISTER:
ORGANIZATIONAL BEHAVIOR TRAINING
DATE: 27 OCTOBER 2017
VENUE: AMAHLATHI SATELLITE OFFICES
TIME: 09H00

Name & Surname	Contact No.	Signature	Department
A. MAKISI			ENG.
A. Ntlangeni	043 683 2373		CORPORATE SERVICES
Lucky RUTINE	043 683 2373		ENGINEERING
S. MATROSS	078 710 9211		ENG
Mdunzi VUTSEKA	078 069 1134		B.T.O
MAMUKA - MZANDI NENSIWA	071 824 3141		ENG

Anelo Dikimolo	0781747018		Engineering
Sipho Maxolo	0710153671		"
Mpendulo Khukhe	0837634829		ENGINEERING
Mzukisi Meintjes	0730860954	M. Meintjes	"
Manofisi Sember	0732988531		"
LUTHANDO LUTHANDO	0731754445		ENGINEERING
Kwamele Matiwane	0960535418		"
ABONGILE KRUME	0735502758		Engineering.
LOYISO NGEDLE	0795715127		ENGINEERING
SIPHO MATYANA	0719889127		" " "
Galela malibela	08809608069		" " "
MARIBELE MONTAZANA	0734248885		" "
NOMTLE MALI	0718026299		ENGINEERING

M. Nsileli	0631235166	M. Nsileli	ENGINEERING
B. SITHA	0782281986	B. SITHA	Engineering
S. JACK	0604634771	S. JACK	"
A. GREEN	0110324316	A. GREEN	"
S. KONDLO	048 783 2533	S. KONDLO	CORP/S
N. CHRISTIAN	078 773 1947	N. Christian	Engineering
T. TSHWUDU	085 8668 787	T. TSHWUDU	ENGINEERING
N. MORRISHEAD	073 049 0593	N. MORRISHEAD	ENG
S. P. S. K.	0620028407	S. P. S. K.	Engineering
X. TSHWUDU	—	X. TSHWUDU	"
B. M. M. T. A.	083 88 71 820	B. M. M. T. A.	Engineering
W. SONCASA	073 096 55 77	W. SONCASA	" " "
M. M. SHINGA	0730190595	M. M. SHINGA	" " "

Dalwe Kuti	076 3938 798		Engineering
Ayanda Jakavu	083 422 6541		Engineering
Mosiphele Semano	061 707 4717		ENG
AKHONA MAY	071 729 7612		ENGINEERING
S. DINTA			---
SESENU NCCAKANI	1045 843 1042		Engineering
P. Mweni	0192776331		Engineering
S. Dlelana	082 059 2107		Wear on Leaks
N. DINACA	078 043 5491		ENGINEERING
Z Sam	083727 4564		ENGINEERING
N.W. Jayyai	0784 225 201		ENGINEERING
B. Banayi	0730 334984		---
B. Woberu		B. Woberu	11

N Ngqumsha	_____		Corporate Services
Z. Dijo	C.S. 043-7832255		C.S.
N. Puma	C/S 043-7832511		C.S.
X. Gleahle	C/S 043-7014028		C/S
L. Mafoda	C/S 4114		

ANNEXURE B



AMATHOLE
DISTRICT MUNICIPALITY












ATTENDANCE REGISTER

EMPLOYMENT EQUITY WORKSHOP

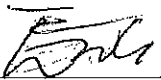

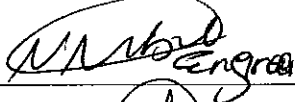
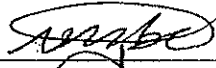

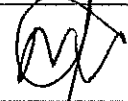

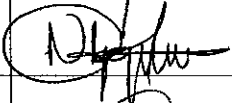
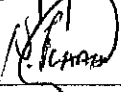

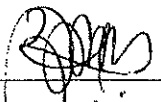

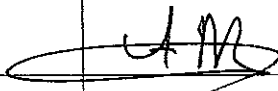
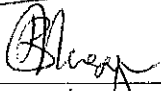


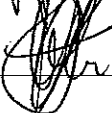



DATE: 26/10/2017

(MNQUMA SATELLITE OFFICES)

NAME	DEPARTMENT	TEL	DESIGNATION	SIGNATURE
<i>Kingisoa</i>	C.S.	043-7832035	Admin officer	<i>[Signature]</i>
<i>P. Grey</i>	C/S	043-7832033	EAP Facilitator	<i>[Signature]</i>
<i>V.M. Mthembu</i>	C/S	043-7832080	Admin Officer	<i>[Signature]</i>
<i>Ndumelubhede</i>	ENG 074-0527871	074-052787	Foreman	<i>[Signature]</i>
<i>A. Mamphe</i>	C/S	0765644454	ADM	<i>[Signature]</i>
<i>T. Buthane</i>	ENG	083515487	ADM	<i>[Signature]</i>

Z. MOSS	ENG	0783624900	FOREMAN	
A STUNGU	"	083 4750159	G.A	
B. KALYMASHE	ENG			
		0732768603	GA	B. KALYMASHE
S. Tinzi	ENG	060398479	G.A	S. Tinzi
N. PHWANE	ENG	0730754956	G/A	
B MABBAO	B+M	0791594572	GA	
MNINZI SG	ENG	0781994422	ARTISAN	
T. Phaliso	ENG	0719149451	Plant Supt	
V. MADIKANE	ENG	0827598583	GA	V. Madikane
B NYONDO	Eng	0631336851	GA	B. Ntsheni
A MBUKINGA	B/O	0789832607		
S MANTYI	ENG	0731383442	OPERATOR	
L Mhlentlo	ENG	0717140384	GA	L. Mhlentlo
S Mshumela	ENG	0784222761	G.A	
B. Jaride	Comp Serv	0783421850	Tea Server	
P MBADAMANA	ENG	076-5531121	GA	P. Mbadamana

M. Mkenkwa	ENG	0717809161	FORUM	M. Mkenkwa
O. Jikeka	BTO	061701507	M. Reader	O. Jikeka
S. Ntshukwana	BTO	084760858	Meta Reader	S. Ntshukwana
X. Ntsheng	Communication	2284	8m Customer care officer	X. Ntsheng
M. V. Ntsheng	ENG	2636	Supervisor	M. V. Ntsheng
V. Ntsheng	ENGINEERING	2632	ASSISTANT MANAGER	V. Ntsheng
S. MAMISELA	ENG	0474915530	ASS ADMIN	S. MAMISELA
L. A. BLERI	ENG.	0785888429	G. A	L. A. BLERI
M. JONDA	ENG	0738647047	Operator	M. JONDA
L. PERO	ENG	0632049481	OPERATOR	L. PERO
M. NTWOKO	ENG	0736419577	OPERATOR	M. NTWOKO
Z. Cheba	BTO	X2082	SR ACCOUNTANT	Z. Cheba
NF. KOKA	"	X2300	SR CREDIT CONTROL	NF. KOKA
A. S. TONDOKO	"	0836733953	G. A	A. S. TONDOKO
NF. CHESINA	"	0782902020	BTO	NF. CHESINA
S. BATO	B. T. O	072123100		S. BATO

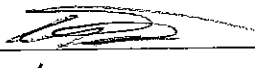
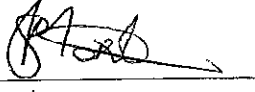
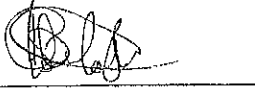
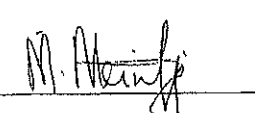

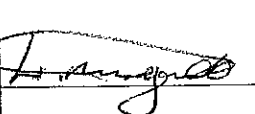

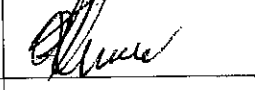
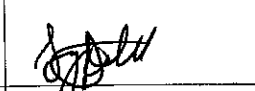
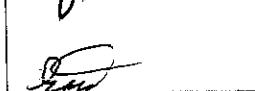



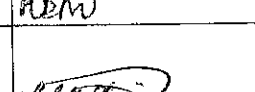
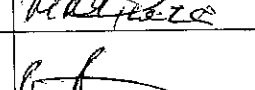
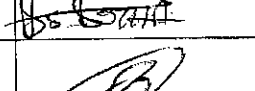


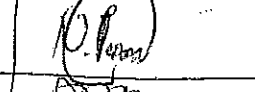
V. MAMAMA		078024607	Foreman	
N. MBIKE		013284300	ARTISAN	
V. Ngweny		—	SLURP	
N. Ngweny		—	Snr LRO	
N. Kanne		—	MANAGER / RESOLUTION	
X. GUDUW		043-7014028	C/S	
A. Mangang		043-701-402	C/S	
B. MCASA		ext 2630	ASSISTANT MANAGER	ENGINEERING
L. MAYODU		4114	C/S	
T. XUNDU-KUBUCE		ext 2603	A S M	
Z. MAKALUZA	BTO	2258	CASHIER	
L. NGAWA	CS	2375	REJ MG	



AMATHOLE
DISTRICT MUNICIPALITY

ATTENDANCE REGISTER
EMPLOYMENT EQUITY WORKSHOP
DATE: 26⁷/10/2017
(AMAHATHI SATELLITE OFFICES)

NAME	DEPARTMENT	TEL	DESIGNATION	SIGNATURE
Lucky Rethe	ENGINEERING	043 683 2373	ARTISAN PLUMBER	
BANDANLANGA	engineering	"	Cleaner	
A. MPEISI	Eng.	N/A	G.A	
S. MATROSS	ENG	078410921	G.A	
V. Mdingi	BIO	078069134	Messenger Billing	
N. MANTIKH - MAMO	ENGINEERING	0718243141	G.A	

Angelo	Engineering	0781747018	Artisan Plumber	
S. MAXOLO	"	0710153671	FOREMAN	
M. Khulashu	ENGINEERING	0837634829	General ASSISTANT	
M. M. EINTJIES	"	0730860094	GA	
M. Sambo	Engineering	0732288531	TA	
L. Mnyanda	ENGINEERING	0731754445	G.A.	
K. Matinane	"	0760535418	GA	
A. Kume	Engineering	0735507159	MILLWRIGHT	
LD MKEDE	ENGINEERING	0798715127	SUPERINTENDENT	
S. Metyana	" "	0719882971	GA	
G. Malaba	ENGINEERING	07809669	GA	
M. Mqatazana	ENGINEERING	0734248885	G A	
M.B. MALI	ENGINEERING	0718026299	GA	
M. Nbilwili	ENGINEERING	0681235166	G.A.	
B. Butha	Engineering	0782287986	GA	
S. Jack	"	0624634770	Foreman	
A. Green	"	0710324316	G.A	
N. Laphu	Corporate Sales	043-7832511	Manager: Recruitment	
X. Gwadiu	C/S	043-7011028	SHRO	



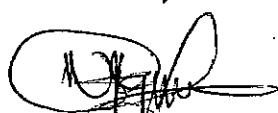


N. Christian	Engineering	0787781943	G/A	N. Chmbo
T. Nkhwan	ENGINEERING	083 8668787	G. A.	N. Nkhwan
N. Mchishe/wa	ENGINEERING	083 0990533	G. A	N. Mchishe
S. P. Soko	Engineering	0620029713	SA	S. P. Soko
N. Tshwani	"	—	S. A.	N. Tshwani
A. Ntshwani	Engineering	0838871820	artisan Plumber	A. Ntshwani
W. SONCASA	" " "	0730915571	G. A	W. Soncasa
M. Nkhomo	" " "	07301958	" "	M. Nkhomo
D. Kuku	Engineering	0763932798	SA	D. Kuku
A. Jakesu	Engineering	0834226541	Foreman	A. Jakesu
T. MAQASE	Engineering	—	Plumber	T. Maqase
S. Zipikele	Engineering	0710624756	Millwright	S. Zipikele
P. Mweni	"	0792174331	Superintendent	P. Mweni
S. Dube	" " "	—	G. A	S. Dube
N. Ningi	" " "	0630138847	Superintendent	N. Ningi
S. NGCAKANI	Engineering	045 8431040	Admin Assistant	S. Ngcakani
T. SEMANA	"	—	G. A	T. Semana
A. MAY	ENGINEERING	0717297602	FOREMAN	A. May
S. Mkhomo	"	0820592097	Welding	S. Mkhomo
N. D...	"	0786435451	G. A	N. D...

Z. Sam ENGINEERING 083727454 C/A
N. W. Wijaya ENGINEERING 084225201 G/A
B. Wabera " S/A

T. Nugroho CS — SKRO

Z. Dijo CS 043-7830235 AD.

L. Mayodit U 043-701-4714



B. Wabera




7.1.1.3 QUARTERLY REPORT ON PROGRAMS CONDUCTED BY THE EW & OHS UNIT FROM THE EMPLOYEE WELLNESS STRATEGY FOR THE 2nd QUARTER OF 2017/2018 FINANCIAL YEAR KPI 15

[File No.4/4/2]

[Author: Director: Corporate Services/MD/ad]

[MC: 11 April 2018]

[Council: 31 May 2018]

PURPOSE

To report on programmes conducted by the EW & OHS Unit from the Employee Wellness Strategy for the 2nd quarter of the 2017/2018 Financial Year, in line with SDBIP-KPI 15.

AUTHORITY

- The Occupational Health and Safety Act 85 of 1993 ADM EAP Policy
- The Municipal Finance Management Act 56 of 2003

LEGAL/STATUTORY REQUIREMENTS

The main objective of the Occupational Health and Safety Act is:

“To provide for the health and Wellness of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work ”

The ADM EAP Policy aims at identifying and assisting affected employees in resolving personal health problems that may be adversely affecting them and their performance at work, such as general health, marital, financial or emotional problems; health, family issues and substance or alcohol abuse.

The Municipal Finance Management Act provides for the proper spending of the money allocated to the municipality and to establish proper norms and standards for the local government.

BACKGROUND/REASONING

The following programs were planned and conducted by the unit from the Employee Wellness Strategy which is KPI 15, the target for the 2nd quarter was to conduct 3 programs which are as follows:

1. Substance Abuse Workshop
2. TB Awareness Programme
3. Employee Health Expo

1. HEALTH EXPOSITION

An employee Health Exposition was organised for 70 ADM employees based at Amahlathi on the 2nd of November 2017 at Mlungisi Community centre from 10h00.

Health care providers were invited and given an opportunity to come display their services, conduct health checks and offer information as well as education to ADM employees based at Amahlathi;

-)] The list is of services that were offered on the day were as follows:
-)] HIV Counselling and Testing –District Health Department and Bonitas
-)] Financial Management and Budgeting - reps from Old Mutual and Metropolitan
-)] Pre- retirement plans and Arrangements - Cape Retirement Fund
-)] Health Checks & Vital signs (BP, Blood Glucose, Cholesterol) – EW & OHS Staff.
-)] Consultations and treatment of Minor ailments/illnesses – Nurses from Cumakala 2 Mobile clinic

Eye care and visual Screening – Nurses from Bonitas Medical Aid

The Health expo will continue in all ADM areas through the quarters of the 2017/18 financial year

2. SUBSTANCE ABUSE WORKSHOP

A workshop on Substance abuse and alcoholism was planned and conducted for 17 ADM employees based in Raymond Mhlaba and 28 employees based at Ngqushwa on the 15th of November 2017 at Fort Beaufort Methodist Church hall and ADM Peddie Fire Services from 10h00.

The workshop consisted of an educational session on Substance Abuse as well as a list of programmes and referral Centres.

Assessment and the referral programme of employees to the EAP Programme was also explained to employees and supervisors. Emphasis on the firm supervision and use of HR policies as reference was also highlighted to all.

3. TB AWARENESS WORKSHOP

A workshop on Tuberculosis was planned and conducted for 63 ADM employees based at Mngquma on the 15th of November 2017 from 09h00 at Mngquma Satellite offices.

The session was conducted by representatives from TB & HIV Association and composed of the following:

-)] Formal Health education on all forms of TB – a view on National, Provincial and District was observed
-)] National guidelines on the Management and Treatment of TB
-)] Case tracing
-)] TB screening and testing of suspects was conducted on the spot by nurses from the District Health Department.

4. BREAST CANCER AWARENESS WORKSHOP

A workshop on Breast Cancer was planned and conducted for 37 ADM women based at Mbhashe on the 24th of October 2017 at Mbhashe Satellite office from 10h00.

The Breast Cancer Awareness Workshop aimed at educating and empowering women on Breast Cancer which affects them and their families.

The session consisted of information sharing on Breast Cancer - which seems to have an impact in our Institutional Family and the topic was spread as follows.

-) Anatomy and physiology of breast
-) Definition of cancer and breast cancer
-) Predisposing factors and causes
-) Treatment options
-) Rehabilitation and support
 -) Referral centres and programmes available in communities

The ADM Communications Unit was also used as a platform to market breast care as well as the need for all women to conduct daily breast examinations to detect the onset of breast cancer.

5. PRE – RETIREMENT WORKSHOP

A workshop on Pre-retirement strategy was planned and conducted for ADM employees based at Mnquma on the 12th of October 2017 at M&S Conference centre from 09h00.

The aims of the workshop was to observe financial readiness of employees approaching retirement, to enlighten them on various fields of investments and to decrease anxiety which may be conveyed by the idea of approaching retirement. Individual consultation session followed after the formal presentations.

Workshops of this Nature will continue in all ADM areas throughout the 2017/18 financial year.

OTHER PARTIES CONSULTED

All Departments were consulted.

FINANCIAL IMPLICATIONS

An amount of R6 600.00 was paid towards catering for external service providers on the Health Expo.

STAFF IMPLICATIONS

There are no staff implications.

ATTACHMENTS

There are no annexures

RESOLVED

That the quarterly report on programmes conducted by the EW & OHS Unit from the Employee Wellness Strategy for the 2nd quarter of the 2017/2018 Financial Year, in line with SDBIP- KPI 15 be noted

7.1.1.4 QUARTERLY REPORT ON ADM IMPLEMENTATION OF THE EMPLOYMENT EQUITY PLAN – 2017/2018: ON INCREASE IN FEMALE REPRESENTATION: SDBIP KPI 2

[File No: 4/8/3]

[Author: Director: Corporate Services /MD/ad/np]

[MC: 11 April 2018]

[Council: 31 May 2018]

PURPOSE

To provide a quarterly report on ADM implementation of the Employment Equity Plan for quarter two (2) of 2017/2018 financial year on increase in female representation for noting.

AUTHORITY

-) The Local Government Municipal Systems Act 32 of 2000 as amended.
-) The Employment Equity Act 55 of 1998

LEGAL/ STATUTORY REQUIREMENTS

-) In terms of Section 67 (1) of The Local Government Municipal Systems Act 32 of 2000 as amended, the Council must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration including the recruitment, selection and appointment of persons as staff members
-) The Employment Equity Act is meant to monitor employment equity in the workplace.

BACKGROUND/ REASONING

The indicator for this programme is the % increase in female representation in line with the Employment Equity Plan. The target for quarter two (2) is to report on the appointment of females by each department. A copy of the progress and system's reports are serving as evidence.

EXPOSITION OF FACTS

The total number of ADM staff complement as at 31st December 2017 is **1672** On the analysis of the staff profile it was found that the major challenges for ADM include the following:-

1. Under representation of females in the senior management occupational levels.
2. Gross under representation of females in the semi- skilled occupational levels.
3. Gross under representation of people with disabilities in all occupational levels.

In order to address the under representation of females, ADM set itself an annual target of 2% increase in female representation, which may be translated to 0.5% per quarter.

The staff complement as per the SAP report is **1672** inclusive of employees with disabilities, one (1) of which is a foreign national and does not count for the Employment Equity. Total female strength is **702**. Number of appointed females during quarter two as per the SAP report is **11**.

Calculations are as follows:

702-11=691

Therefore: $11/691 \times 100 = 1.6\%$

The deliverable target of 0.5% in quarter two (2) has been met and exceeded. The total percentage of appointed females in quarter two (2) is 1.6% which exceeds the quarter target of 0.5%.

STAFF IMPLICATIONS

Total number of female appointments increased by 11 employees for quarter two.

FINANCIAL IMPLICATIONS

There are no financial implications.

OTHER PARTIES CONSULTED

No other parties were consulted.

ATTACHMENTS

SAP Report on female appointments for 2017/2018 as **Annexure “A”**

RESOLVED

That the quarterly report on ADM implementation of the Employment Equity Plan for quarter two (2) of 2017/2018 financial year on increase in female representation be noted.

Promotions and New Engagements Oct -Dec 2017

First name	Last name	Entry	Name of Action Type	From	Name of Organizational Unit	Gender text	Position Name
Ntomboxolo Portia	Heka	01.08.2010	Promotion	01.10.2017	Credit Control	Female	Senior Credit Control Officer
Nosipho	Putuma	01.03.2011	Promotion	01.10.2017	Credit Control	Female	Senior Credit Control Officer
Ayanda	Sigadla	22.11.2013	Promotion	01.10.2017	Recruitment & Selection	Male	Senior: HR Clerk - Recruitment & Selection
Akhona	Magayiyana	01.02.2014	Promotion	01.10.2017	Personnel Administration	Female	Payroll Administrator
Vuyokazi Nozukile	Qondani	01.04.2011	Promotion	01.10.2017	Networks	Female	Artisan Plumber
Thulisiwe	Njeza	01.10.2017	Hiring	01.10.2017	Community Services	Female	PA - Director: Comm ervices
Sisanda	Mbovane	11.10.2017	Hiring	11.10.2017	Receipting & Reconciliation	Female	Cashier
Nosiphiwo Brycina	Mgijima	11.10.2017	Hiring	11.10.2017	Receipting & Reconciliation	Female	Cashier
Nandipha	Jolingana	28.04.2016	Promotion	01.11.2017	Receipting & Reconciliation	Female	Cashier
Sandile	Puti	01.11.2017	Hiring	01.11.2017	Executive Support Services	Male	Senior Manager
Mziwodumo Archibald	Dliwayo	01.11.2017	Hiring	01.11.2017	Corporate Services	Male	Section 56
Akhona	Tinta	01.11.2017	Hiring	01.11.2017	Strategic Management	Female	Director Section 56
Simphiwe Steven	Mnweba	01.11.2017	Hiring	01.11.2017	Land, Human Settlement & Local Economic	Male	Director Section 56
Luzuko	Govu	01.11.2017	Hiring	01.11.2017	Engineering Services	Male	Director Section 56
Pasika	Jack	01.11.2017	Hiring	01.11.2017	Council	Male	Councillor
Nelisa	Simuku	01.12.2017	Re-instatement	01.12.2017	Municipal Manager	Female	Senior Manager
Fumbathile	Siwendu	01.12.2017	Hiring	01.12.2017	Human Resources Development	Male	Intern
Amanda	Nomvasi	01.12.2017	Hiring	01.12.2017	Human Resources Development	Female	Intern

7.1.1.5 QUARTERLY REPORT ON ADM IMPLEMENTATION OF THE EMPLOYMENT EQUITY PLAN – 2017/2018 ON INCREASE IN PEOPLE WITH DISABILITIES: SDBIP KPI 3

[File No: 4/8/3]

[Author: Director: Corporate Services /MD/ad/np]

[MC: 11 April 2018]

[Council: 31 May 2018]

PURPOSE

To provide a quarterly report on ADM implementation of the Employment Equity Plan for quarter two (2) 2017/2018 financial year on increase in People with Disabilities for noting.

AUTHORITY

- The Local Government Municipal Systems Act 32 of 2000 as amended.
- The Employment Equity Act 55 of 1998

LEGAL/ STATUTORY REQUIREMENTS

In terms of Section 67 (1) of The Local Government Municipal Systems Act 32 of 2000 as amended, the Council must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration including the recruitment, selection and appointment of persons as staff members.

The Employment Equity Act is meant to monitor employment equity in the workplace.

BACKGROUND/ REASONING

The indicator for this programme is the percentage increase of People with Disabilities employed in line with the Employment Equity Plan targets. The target for quarter two (2) is progress report on the appointment of people living with disabilities.

EXPOSITION OF FACTS

The total number of ADM staff complement as at 31st December 2017 is **1672** On the analysis of the staff profile it was found that the major challenges for ADM include the following:-

1. Under representation of females in the senior management occupational levels.
2. Gross under representation of females in the semi- skilled occupational level.
3. Gross under representation of people with disabilities in all occupational levels.

In order to address the increase of employees living with disabilities, ADM set itself an annual target of 0.45% increase in employees living with disabilities, which may be translated to 0.11% per quarter.

There has been no Person with a Disability that showed interest in the positions advertised, and that culminated in having no such category of persons recruited during quarter two. Most of the positions that were advertised were internal positions and therefore could not have been able to

attract much applicants from externally. Therefore, the target has not been met as there was no progress in recruiting People with Disabilities.

STAFF IMPLICATIONS

There are no staff implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

OTHER PARTIES CONSULTED

No other parties were consulted.

ATTACHMENTS

There are no annexures.

RESOLVED

That the quarterly report on ADM implementation of the Employment Equity Plan for quarter two (2) 2017/2018 financial year on increase in People with Disabilities be noted.

7.1.1.6 REPORT ON THE NESTLIFE ASSURANCE GROUP LIFE SCHEME AT ADM

[File No. 4/05/1]

[Author: Director: Corporate Services/MD/pb/sn]

[MC: 23 May 2018]

[Council: 31 May 2018]

PURPOSE

- a) For Council to note the report on the Nestlife Assurance Group Scheme to form part of the three Group Life Scheme providers at ADM
- b) For Council to note that ADM cannot guarantee membership numbers to Nestlife as there are already Group Schemes in operation at ADM where membership is voluntary.
- c) For Council to note that only one scheme will be approved for subsidy per staff member.

AUTHORITY

The ADM Conditions of Service provides for Membership of the Voluntary Individual Life Assurance Scheme for employees

LEGAL/STATUTORY REQUIREMENTS

Section 6.6.1 of the ADM Conditions of Service reads as follows; “Employees shall have the option of contributing to a Municipality approved individual Life Assurance Scheme. Membership of the scheme will be subject to the rules of the group life assurance scheme.

Section 6.6.2 further reads; “The premiums of the individual life assurance scheme are subsidized by the Municipality on a 50:50 ratio.

Lastly, Section 6.6.3 reads; “An employee leaving the Municipality’s service may exercise an option of continued membership of the Scheme subject to the rules of the scheme. This employee will be liable for the full individual life premium.

BACKGROUND/REASONING

A company known as Nestlife approached ADM with the intention of doing business with ADM and the products they offer relate to a Group Life scheme for all employees and a funeral benefit.

To be noted is that ADM already has two service providers operating within that space and they are Liberty Life and Discovery however, there is no regulation on how many Group life scheme providers you may have as an institution.

A quick research has revealed that Buffalo City Metropolitan Municipality and other municipalities have one group scheme.

The Service Provider was then allowed to make a presentation in the EMC meeting by the former administration and following that presentation, the Corporate Services Department was mandated to provide relevant employee data to the Service Provider in order to enable them to prepare a thorough quotation for ADM.

Following that exercise, the Service Provider was then allowed back to the EMC on a later date to present their quotation wherein the EMC noted the presentation and requested Corporate Services to provide technical advice before an EMC decision was taken.

As part of implementing the EMC decision, the Corporate Services departmental management team engaged on the presentation and felt a need to invite Nestlife to clarify certain issues which were hindering progress in terms of processing the matter. Nestlife availed themselves on Tuesday-19 Sept 2017 wherein all the critical issues were identified, discussed and clarified.

EXPOSITION OF FACTS

The Corporate Services department has established through engagements with Nestlife that the company's intention is to be the sole accredited Group life risk provider of ADM and that they be allowed to manage the entire portfolio of ADM staff members. The company indicated that their quotation was calculated on the basis of ADM employees who are currently being serviced by Liberty Life and Discovery Insurance and they have managed to offer the lower rates based on those figures and therefore, it is imperative for them to be allocated the entire portfolio. The implications thereof are that, the two current players which are Liberty Life and Discovery Insurance would have to be disengaged from ADM which is not necessarily an easy and advisable task based on the following reasons.

-) Joining a Group life scheme is voluntary for all ADM employees and as such, the employer cannot guarantee the numbers needed by Nestlife to manage a profitable scheme.
-) It is not necessarily advisable for the employer to terminate the contracts of both Liberty Life and Discovery Insurance and instruct employees to join Nestlife as that lies within the employee's prerogative to choose which scheme they prefer.
-) There is nothing fundamentally different from the product offered by Nestlife to the products already available at ADM
-) ADM only subsidises one Group scheme per each employee.

The only logical approach to the matter would be to allow Nestlife to market their product to ADM employees and be offered space to compete with the other two role players who are already servicing ADM employees instead of terminating them.

ADM cannot be in a position to guarantee numbers to Nestlife as the Group life scheme is a voluntary scheme to join.

WAYFORWARD

For new employees, ADM would present all three Group life schemes and allow the staff members to choose the best product that would suit their needs

MOTIVATION TO ADD NESTLIFE AS THE THIRD GROUP LIFE PROVIDER

Nestlife has already presented their product at the Executive Management Committee of Amathole District Municipality.

Nestlife has also been afforded an opportunity to present their product to ADM employees through the Local Labour Forum and as such the ADM employee component is in support of such a product.

The current providers that services ADM employees do not necessarily reflect the demographics of the country as they are not owned by persons from previously disadvantaged groups.

Nestlife is 100% black owned and in allowing Nestlife to do business at ADM, the institution would be contributing towards empowering previously disadvantaged groups.

Nestlife is also undertaking to investigate a possibility of introducing a cash-back/ surrender option for the members of the scheme.

Nestlife is proposing to partner with ADM in their social responsibility programs which will be a first for ADM.

STAFF IMPLICATIONS

There are no staff implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

OTHER PARTIES CONSULTED

ADM Corporate Services, ADM Executive Committee and ADM Local Labour forum.

ATTACHMENTS

Comparative analysis: discovery/ nestlife

RESOLVED

- a) That the report on the Nestlife Assurance Group Scheme to form part of the three Group Life Scheme providers at ADM be noted.
- b) That ADM cannot guarantee membership numbers to Nestlife as there are already Group Schemes in operation at ADM where membership is voluntary.
- c) That that only one scheme will be approved for subsidy per staff member.

COMPARATIVE ANALYSIS: DISCOVERY/ NESTLIFE

DISCOVERY		NESTLIFE
Funeral Benefits (No waiting period)		(No waiting period indicated)
Principal: R60,000 cover Spouse: R60,000 cover (up to 3 spouses) Child (>14 – 21): R30 000 cover Child (7 – 14): R15 000 cover Child (1 - <7): R9 000 cover Stillborn Child: R3 750 cover Monthly cost: R110.00 p.m.	Same except for the number of spouses that can be covered	Principal: R60,000 cover Spouse: R60,000 cover (cover for 1 spouse) Child (>14 – 21): R30 000 cover Child (7 – 14): R15 000 cover Child (1 - <7): R9 000 cover Stillborn Child: R3 750 cover Monthly Cost: R109.00 p.m.
<u>Group Life and Capital Disability</u>	Same	<u>Group Life and Capital Disability</u>
(No waiting period and no underwriting)		(No Waiting period for current members of Liberty and Discovery- underwriting is optional for a higher cover)
Life cover of 5 x <u>Annual</u> Salary without underwriting. Capital Disability cover of 5 x <u>Annual</u> Salary without underwriting Ability to continue with cover after leaving the Employer at standard rates Global Education Protector		Life cover of 5 x <u>Annual</u> Salary without underwriting. Capital Disability cover of 5 x <u>Annual</u> Salary without underwriting Ability to continue with cover after leaving the Employer at standard rates Global Education Protector
Monthly cost: 4.36% of monthly salary.	NEGOTIABLE	Nest Life: 3.24% of monthly salary

RESOLVED

That the reports from item 7.1.1.1 to 7.1.1.6 be noted.

MUNICIPAL FINANCIAL **VIABILITY**

ITEM 7.1.2
MUNICIPAL FINANCIAL VIABILITY

7.1.2.1 REPORT ON THE PERCENTAGE SPENT ON BROAD-BASED BLACK ECONOMIC EMPOWERMENT FOR GOODS AND SERVICES PROCURED THROUGHOUT THE DISTRICT

[File No. 8/2/R]

[Author: Chief Financial Officer/NN/cb]

[MC: 24 April 2018]

[Council: 31 May 2018]

PURPOSE

To report on the percentage spent on Broad-Based Black Economic Empowerment (B-BBEE) for Goods and Services procured throughout the District in terms of TL LED 1/10 of the SDBIP (Q2).

AUTHORITY

The Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations, 2017.

LEGAL / STATUTORY REQUIREMENTS

The Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations, 2017, stipulates the following preference point systems for the acquisition of goods or services:

- The 80/20 system for requirements with a Rand value equal to or above R30 000 and up to R50 000 000, inclusive of all applicable taxes.
- The 90/10 system for requirements with a Rand value above R50 000 000, inclusive of all applicable taxes.

The following table provides the specific B-BBEE contract participation goals as well as the number of points a bidder can score out of 20 (80/20 preference point system) or 10 (90/10 preference point system):

B-BBEE STATUS LEVEL OF CONTRIBUTOR	NUMBER OF POINTS (80/20 PREFERENCE POINT SYSTEM)	NUMBER OF POINTS (90/10 PREFERENCE POINT SYSTEM)	PERCENTAGE
1	20	10	100%
2	18	9	90%
3	14	8	70% / 80%
4	12	5	60% / 50%
5	8	4	40%
6	6	3	30%
7	4	2	20%
8	2	1	10%

Non-Compliant Contributor	0	0	0%
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BACKGROUND/REASONING

In terms of the SDBIP, one of ADM's strategic objectives is to promote holistic sustainable regional economic development by 2030. In achieving this objective, the Municipality endeavours a 30% Funds Spent on BBEE for services procured throughout the District.

The table below reflects all projects that have been awarded during the *second quarter* as well as each awarded bidder's B-BBEE Status Level of Contributor.

The following table reflects the contracts awarded:

CONTRACT NUMBER	PROJECT DESCRIPTION	COMPANY AWARDED THE CONTRACT	AMOUNT	B-BBEE STATUS
8/2/53/2017-2018R	Supply and Delivery of Plumbing Material to Great Kei Area	Antivirus Trading	R 102 601,00	Level 1
8/2/54/2017-2018R	Appointment of a Consultant for the Purposes of Conducting a Fresh Produce Market Feasibility Study at Amathole District Municipality	Urban-Econ Development Economist (Pty) Ltd	R 49 999,00	Level 4
8/2/66/2017-2018R	Supply and Delivery of Employee Wellness Items	ZZZ Induna Trading CC	R 173 780,00	Level 1
8/2/72/2017-2018R	Enterprise Licencing of the Website IDE (Integrated Development Environment)	Sxuza Trading (Pty) Ltd	R 97 951,70	Level 1
8/2/78/2017-2018R	Supply, Delivery and installation of six (6) wireless data projectors	Datacentrix Pty Ltd	R 57 279,46	Level 1
8/2/80/2017-2018R	Supply and delivery of Cleaning Material for the Housekeeping Unit in East London, Satellite Offices & Whelan Depot	Inkazimlo Yamaqoco	R 60 077,52	Level 1
8/2/92/2017-2018D	Trimble Global Positioning System (GPS) Pathfinder	Optron (Pty) Ltd	R 89 740,80	Level 5

	Office 2 year maintenance renewal			
8/2/93/2017-2018R	Supply and Delivery of Promotional Material for Amathole District Municipality	Ezweni Services (Pty) Ltd	R 36 176,25	Level 1
8/2/94/2017-2018D	Venus Licences renewal maintenance for 2017/2018	Business Connexion (Pty) Ltd	R 715 144,00	Level 6
8/2/100/2017-2018D	Selection for Rural Roads Asset Management System (RRAMS)	Engineering Advice & Services Pty Ltd	R 388 244,47	Level 5
8/2/102/2017-2018D	Rentals of 7 Containers and 1 Park home That were Rented by Amatola Water from Container Conversions	Container Conversions Pty Ltd	R 17 884,32	Level 8
8/2/103/2017-2018D	Procurement of Exhibition Space, Make-up Artist & Hair-Dressers for Designers (SMMES) Who Will be Partaking in Berlin November	Fashion Engagement EC	R 39 800,00	Level 1
8/2/108/2017-2018D	Appointment of Forensic Auditors Sizwe Ntsaluba Gobodo Advisory (Pty) Limited	Sizwe Ntsaluba Gobodo (Pty) Ltd	R 8 675 400,00	Level 1
8/2/115/2017-2018D	Legal Matters Handled by Patel & associates	Lenist Trading T/A Patel & Associates	As per Rates	N/A
8/2/8/2016-2017C	Provision of a Fleet Management and Vehicle Recovery System for a Period of 24 Months	Tracker Connect (Pty) Ltd	As per Rates	Level 1
8/2/22/2016-2017C	Provision of Banking Services	Standard Bank Group Limited	As per Rates	Level 2
8/2/77/2016-2017C	Supply and Delivery of Cleaning Materials for a Period of 36 Months	Coceka Waste	R 6 395,50	Level 1
8/2/77/2016-2017C	Supply and Delivery of Cleaning Materials for a Period of 36 Months	Sibalam Group (Pty) Ltd	R 4 948,42	Level 1

8/2/77/2016-2017C	Supply and Delivery of Cleaning Materials for a Period of 36 Months	Sikhonde Enterprise (Pty) Ltd	R 5 249,19	Level 1
8/2/121/2016-2017R	Refurbishment of Adelaide Waste Water Treatment Works	Maxhosandile Construction	R 175 058,40	Level 1

The following table reflects the contract value per B-BBEE Level of Contributor. Also note that the table excludes rates based contracts:

B-BBEE STATUS LEVEL OF CONTRIBUTOR	NUMBER OF PROJECTS AWARDED	CONTRACT VALUE PER B-BBEE LEVEL OF CONTRIBUTOR	% SPENT ON B-BBEE
1	12	R9 434 717,44	R9 434 717,44
2	1	Rates Based	Rates Based
3	0	-	-
4	2	R49 999,00	R29 999,40
5	2	R477 985,27	R191 194,11
6	1	R715 144,00	R214 543,20
7	0	-	-
8	1	R17 884,32	R1 788,43
	TOTAL VALUE PROCURED FROM B-BBEE CONTRIBUTORS (A)	R10 695 730,03	R9 872 242,58
Non-Compliant Contributor	1	Rates Based	Rates Based
	TOTAL VALUE PROCURED FROM NON-COMPLIANT CONTRIBUTORS (B)	-	-
	TOTAL VALUE OF A + B	R10 695 730,03	R9 872 242,58

A total rand value (A + B) of all contracts awarded amounts to **R10 695 730, 03**. Of this amount the percentage spent on B-BBEE amounts to **R9 872 242, 58**. This therefore means that the percentage spent on B-BBEE for goods and services procured throughout the District equals to **92.30%**.

Formula utilised: total contract value per B-BBEE level of contributor divided by the total rand value of all contract awarded multiplied by 100 equals the percentage spent on B-BBEE for goods and services procured throughout the District.

STAFF IMPLICATIONS

There are no staff implications.

OTHER PARTIES CONSULTED

No other parties were consulted.

FINANCIAL IMPLICATIONS

The total cost of the projects awarded during the second quarter amounts to R10 695 730, 03 inclusive of VAT.

ATTACHMENTS

There are no annexures.

RESOLVED

That the report on the percentage spent on Broad-Based Black Economic Empowerment (B-BBEE) for goods and services procured throughout the District in terms of TL LED 1/10 of the SDBIP (Q2), be noted.

7.1.2.2 2ND QUARTER REDUCTION IN NUMBER OF DEVIATIONS REPORT FOR 2017/2018 FINANCIAL YEAR IN TERMS OF THE 2017/2018 SDBIP, MFV 1/12

[File No. 8/1]

[Author: Chief Financial Officer/N.N./cb]

[MC: 24 April 2018]

[Council: 31 May 2018]

PURPOSE

- To report on the reduction in the number of deviations for the Second quarter 2017/2018 financial year in terms of KPI MFV 1/12.
- To report on the second quarter breaches for 2017/2018 financial year, ratified by the Municipal Manager.

AUTHORITY

-) The Municipal Finance Management Act 56 of 2003, Municipal Supply Chain Management Regulations.
-) The Preferential Procurement Regulations, 2017

LEGAL / STATUTORY REQUIREMENTS

Section 36 of the Municipal SCM Regulations states the provision for dispensing and approval of official procurement processes, the ratification of minor breaches and the reporting of these deviations/ breaches to Council.

BACKGROUND / REASONING

In terms of the 2017/2018 SDBIP, MFV 1/12, the target is to reduce the number of deviations by 5% per quarter totaling to 20% for the SDBIP annual target.

REDUCTION OF NUMBER OF DEVIATIONS

The 2017/2018 SDBIP, MFV 1/12 indicates that the number of deviations to be reduced by 5% per quarter totaling to 20% for the SDBIP annual target.

The table below displays the deviations approved for the 2nd quarter 2017/2018.

Each procurement transaction where a deviation process was utilized is contained in the register of deviations, attached as **Annexure “A”**.

The table below shows 23 deviations approved as opposed to 42 deviations approved in 2016/2017. This reflects a decrease by 19, however it is worth mentioning that the majority of the deviations are as a result of the repairs and maintenance to the various sewer / water treatment work stations and drought challenge.

QUARTER 2	2016/2017	2017/2018
October	17	5
November	18	7
December	7	11
TOTAL	42	23

Below are the deviations approved per Department:

DEPARTMENT	NO OF DEVIATIONS
Budget and Treasury	-
Corporate Services	1
Engineering Services	16
Community Services	-
Land Human Settlement and Economic Development	1
Strategic Planning	2
Legislative Executive Services	-
Municipal Manager's Office	3
TOTAL	23

Note that the Budget and Treasury Office, Community Services, and Legislative Executive Services have not deviated in the quarter under review.

BASELINE FOR 2017/2018	109	% REDUCTION IN NUMBER OF DEVIATIONS	78,9%
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Formula utilised: The Baseline *minus* No of deviations per quarter for 2017/2018 *divided* by the Baseline) *multiplied* by 100

4.1.1.2 STRATEGIES IMPLEMENTED TO REDUCE DEVIATIONS

The following strategies have been put in place to reduce deviations:

(a) Term contracts:

- Supply and Delivery of Relief Building Material;
- Water Carting;
- Leasing of Photocopiers;
- Supply and Delivery of Liquid Chlorine, Sodium HIPO Chlorite, Chlorine Granules and Chlorine Tablets for ADM;
- Catering Services;
- Stationery Supplies;
- Supply and Delivery of Paper Products;
- Supply, Delivery of Laptops, Desktops, Printers, Projector & Sundry;
- Three (3) year term tender to supply, deliver and install hand pumps and wind turbines;
- Panel of Contractors,
- Panel of Consultants;

- Supply and Delivery of Pipes & Fitting for ADM's Water & Sanitation Services for 2 years (Evaluation stage)
 - Term Tender for Plant Hire for Amathole District Municipality (ADM)(At Bid Specification Committee stage);
 - Supply, Delivery and Repairs to Pumps and spare parts (Drafting specifications);
 - Provision of Mechanical and Electrical Maintenance of Amathole District Municipality for a period of 36 months (To be re-advertised);
 - Provision of Cleaning Material for a period of 36 months
- (b) Substantive reasons were requested from Project Managers before supporting a motivation to deviate from the normal procurement processes.
- (c) Proper procurement planning, SCM has monitored all procurement for the Quarterly targets in term of the SDBIP.
- (d) Consulted with user departments to follow normal procurement processes.

4.2 PROCUREMENT BREACHES

The Guide for Municipal Accounting Officers, Section 4.4.5.5 states, inter alia, that the accounting officer may ratify any breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties, which are purely of a technical nature.

The Accounting Officer must record the reasons for any deviations as mentioned above, and report it to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.

The above does not apply to the procurement of goods and services that include:

- water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
- Electricity from Eskom or another public entity, another municipality or a municipality.

The table below reflects 1 approved breach initiated by the Legislative and Executive Services Department:

DEPARTMENT	NO OF BREACHES
Budget and Treasury	-
Corporate Services	-
Engineering Services	-
Community Services	-
Land Human Settlement and Economic Development	-
Strategic Planning	-
Legislative Executive Services	1
Municipal Manager's Office	-
TOTAL	1

DESCRIPTION	SERVICE PROVIDER	AMOUNT	REASON
Bedford Garden Festival: Live Band entertainment and Transport hiring for Garden Tours	Bhongo Distributors	R 15,200.00	Breach of SCM processes. No prior approval received and payment is required.

STAFF IMPLICATIONS

There are no staff implications.

OTHER PARTIES CONSULTED

No other parties were consulted.

FINANCIAL IMPLICATIONS

There are no financial implications.

ATTACHMENTS

-) **Annexure “A”**. The register of deviations for Quarter 2: 2017/2018
-) **Annexure “B”** The register of breaches for Quarter 2: 2017/2018

RESOLVED

- [a]** That the reduction in the number of deviations for the second quarter 2017/2018 financial year in terms of the 2017/2018 SDBIP, MFV 1/12, be noted.
- [b]** That the breaches for the second quarter 2017/2018 ratified by the Municipal Manager, be noted.

ANNEXURE "A"

Section 36 of the Municipal SCM Regulations states: “(1) A supply chain management policy may allow the accounting officer-

(a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only-

- (i) in an emergency;
- (ii) if such goods or services are produced or available from a single provider only;
- (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
- (iv) acquisition of animals for zoos; or
- (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

2) The accounting officer must record the reasons for any deviations in terms of subregulation (1)(a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.

(3) Subregulation (2) does not apply to the procurement of goods and services contemplated in regulation 11(2).”

The procurement methods are as follows:

Multi-source bidding : There is limited competition, hence only a few prospective bidders are allowed to make a proposal. This should be based on a thorough analysis of the market;

Single source bidding : This should be based on a thorough analysis of the market and use a transparent and equitable pre-selection process, to request only one amongst a few prospective bidders to make a proposal;

Sole source bidding : There is no competition and only one bidder exists, e.g. sole distribution rights;

Emergency procurement : cases where immediate action is necessary in order to avoid a dangerous or risky situation or misery or disaster such as floods and fires.

The tables below reflect the Deviations per department and approved by the Municipal Manager

**DEVIATIONS
BTO**

CONTRACT NO.	DEVIATION NO	INCIDENT NO	INCIDENT DATE	MEMO DATE	DESCRIPTION	NAME OF SERVICE PROVIDER	VALUE	REASON FOR DEVIATION
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Total Amount

R 0.00

CORPORATE SERVICES

CONTRACT NO.	DEVIATION NO	INCIDENT NO	INCIDENT DATE	MEMO DATE	DESCRIPTION	NAME OF SERVICE PROVIDER	VALUE	REASON FOR DEVIATION
8/2/102/2017-2018D	D32	N/A	N/A	30-Oct-17	Continuation of Rentals of 7 Containers and 1 Park Hom that were rented by Amatola Water	Container Conversions	R 214,611.84	Single source limited bidding process utilised. In June 2008, ADM entered into a contract with Amatola Water Board whereby AW would operate all ADM waste and wastewater treatment works except for Stutterheim and Mbashe North WTW. When AW took over the management of these there were no offices and ablution facilities. AW managed to build some offices where there was budget but where there was no budget they entered into a contract with Container Conversions to hire 7 containers in Mquma and Mbashe and a park home in Great Kei as offices. These were in place till the contract expired with ADM. ADM received a letter from Container Conversions stating that they received a cancellation letter from AW cancelling this contract. The containers are needed by the Engineering Department as there are no offices at the Water Treatment Works and the Plant Superintendants and the Process Controllers are utilizing them as offices to undertake their day to day work, hence the request was made to continue hiring them up until ADM procure or build offices. The contract is for a 12 month period at R17 884.32 per month.

Total Amount

R 214,611.84

ENGINEERING SERVICES

CONTRACT NO.	DEVIATION NO.	INCIDENT NO	INCIDENT DATE	MEMO DATE	DESCRIPTION	NAME OF SERVICE PROVIDER	VALUE	REASON FOR DEVIATION
16/1/3/2	DE52	34613	31-Jul-17	10-Oct-17	Komga: Great Kei: Conservancy tanks full: Assist with sewer tanker	Mkura Business Enterprise	R 63,000.00	Emergency procurement. Health hazard.
16/1/3/2	DE53	35632	22-Aug-17	10-Oct-17	Komga: Great Kei: Conservancy tanks full: Assist with sewer tanker	Thowamvu General Trading	R 63,000.00	Emergency procurement. Health hazard.
16/1/3/2	DE54	32860	23-Jun-17	28-Sep-17	Chintsa East Sanitation: Great Kei: Conservancy tank full: Empty tanks	Camthisi Holding	R 63,000.00	Emergency procurement. Health hazard.
8/2/109/2016-2017D	D27	N/A	N/A	19-Sep-17	Varation Order: Gwili Gwili Water Supply Project	Inyathi Construction	R 383,953.53	The initial procurement took place in the 16/17 financial year as an emergency procurement. Significant interruption of essential services and it
16/1/3/2	DE55	35632	22-Aug-17	29-Nov-17	Cintsa East WWTW: Great Kei: Conservancy tanks full: Empty conservancy tanks	Manxiwa Group	R 63,000.00	Emergency procurement. Health hazard.
16/1/3/4	DE56	38370	24-Oct-17	29-Nov-17	Centane: Mquma: Pipe leak/breakage: Hiring roll back transport TLB	Ndimahluma Construction	R 22,350.00	Emergency procurement. Health hazard.
8/2/100/2017-2018D	D31	N/A	N/A	17-Oct-17	Provision of Professional Services: Rural Roads Asset Management System for a period of 3 months	Engineering Advise Services	R 388,244.70	Single source limited bidding process utilised. Natural continuation of previous work carried out by the service provider.
16/1/3/7	DE57	37137	26-Sep-17	12-May-17	Ngqushwa: Blockage/Spillage: Assist with a jetting machine	Unako KL Services	R 32,500.00	Emergency procurement process. Health hazard.
16/1/3/2	DE58	38236	20-Oct-16	5-Dec-17	Komga WWTW: Great Kei: Conservancy tanks full and	Somanda Multi-Purpose	R 63,000.00	Emergency procurement process. Health hazard.
16/1/3/6	DE59	26943	17-Feb-17	5-Dec-17	Ngcingwane Borehole: Mbhashe: Pump station failure: Water supply interruption: Spares to be supplied	Telegenex Trading 249 t/a RJN Projects	R 25,437.96	Emergency procurement process Water supply interruption.
16/1/3/2	DE60	37538	5-Oct-17	5-Dec-17	Komga WWTW: Great Kei: Conservancy tanks full and ADM sewer tanker in for repairs: Service provider to empty conservancy tank	Goaserve	R 63,000.00	Emergency procurement process. Health hazard.
16/1/3/4	DE61	38029	17-Oct-17	5-Dec-17	Butterworth: Mquma: Sewer Blockage/Settler full	Ramatini Service Agent	R 8,778.00	Emergency procurement process. Health hazard.
16/1/3/4	DE62	38861	2-Nov-17	23-Nov-17	Toleni WTW: Mquma: Reservoir breakage/overflow: Assist in hiring TLB	Goaserve	R 4,000.00	Emergency procurement process. Health hazard.
16/1/3/2	DE63	39189	8-Nov-17	8-Dec-17	Komga WWTW: Great Kei: Sewer blockage/spillage: Unblock sewer lines	Ramatini Service Agent	R 43,398.38	Emergency procurement process. Health hazard.
16/1/3/3	DE64	38941	3-Nov-17	8-Dec-17	Kei Road WTW: Amahlathi: Chlorinator faulty: Repair the fault	Industrial Controls	R 40,173.60	Emergency procurement process. Water supply interruption.

8/2/49/2016-2017C	D35	N/A	N/A	6-Jul-17	Extension of contract: Construction of Ablution Facilities at Inxarha: Morgans Bay	PE Qwesha Business Enterprises	R 188,358.30	Single source procurement process. The community of Inxarha consists of approximately 100 households as well as approximately 50 shacks. The 10 units of toilets currently being constructed by ADM are not sufficient to service the community of Inxarha. The Great Kei Municipality has provided building material for an additional construction of 4 toilet units in order to supplement the 10 units built by ADM. ADM is to provide funds for the construction of these additional units. This is an extension of the contract. The additional work exceeds the contract amount by 36% which is over the guidelines set by National Treasury therefore the deviation process has to followed in accordance with the Municipal Finance Management Regulations (a)(v).The contractor is already onsite.
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Total Amount

R 1,515,194.47

COMMUNITY SERVICES

CONTRACT NO.	DEVIATION NO.	INCIDENT NO	INCIDENT DATE	MEMO DATE	DESCRIPTION	NAME OF SERVICE PROVIDER	VALUE	REASON FOR DEVIATION

Total Amount

R 0.00

LAND HUMAN SETTLEMENT AND ECONOMIC DEVELOPMENT

CONTRACT NO.	DEVIATION NO.	INCIDENT NO	INCIDENT DATE	MEMO DATE	DESCRIPTION	NAME OF SERVICE PROVIDER	VALUE	REASON FOR DEVIATION
8/2/103/2017-2018D	D28	N/A	N/A	7-Nov-17	Procurement of Exhibition Space, Make-up Artist and Hairdresser for Designers (SMME's) who will participate in the Berlin November Fashion Show to be held 25 November 2017	Fashion Engagement	R 39,800.00	Single source limited bidding process. Messrs Fashion Engagements is the event organiser and the only service provider that will provide this material.

Total Amount

R 39,800.00

STRATEGIC PLANNING

CONTRACT NO.	DEVIATION NO.	INCIDENT NO	INCIDENT DATE	MEMO DATE	DESCRIPTION	NAME OF SERVICE PROVIDER	VALUE	REASON FOR DEVIATION
8/2/94/2017-2018D	D26	N/A	N/A	9-Oct-17	Venus License Renewal Maintenance	Business Connexion	R 815,264.16	ADM is currently using the Venus as a Financial Information System mostly in the Budget and Treasury Office. It requires an annual license fee paid for the use and access of the system. It is motivated that the licenses be renewed until December 2017 to allow the smooth cutover and transition to the new system (SAP). This will allow access to the historical data if any issues arise. Messrs Business Connexion is the sole owner and distributor of the Venus System.
8/2/114/2017-2018D	D34	N/A	N/A	6-Dec-17	Annual License Renewal for OrgPlus Software	Kimru IT Logic	R 86,702.44	Messrs Kimru is the sole owner and distributors for the software. Renewal period for three years.

Total Amount

R 901,966.60

LESS

CONTRACT NO.	DEVIATION NO	INCIDENT NO	INCIDENT DATE	MEMO DATE	DESCRIPTION	NAME OF SERVICE PROVIDER	VALUE	REASON FOR DEVIATION

Total Amount

R 0.00

MUNICIPAL MANAGER'S OFFICE

CONTRACT NO.	DEVIATION NO	INCIDENT NO	INCIDENT DATE	MEMO DATE	DESCRIPTION	NAME OF SERVICE PROVIDER	VALUE	REASON FOR DEVIATION
8/2/108/2017-2018D	D29	N/A	N/A	30-Jun-17	Forensic Audit Services and evaluate internal financial controls and systems	Sizwe Ntsaluba Gobodo	R 9,364,899.36	Council resolved that a forensic audit be conducted by ADM as soon as possible and that it is impractical and would possibly defeat the purpose of such investigations, if a lengthy open tender process is followed. The forensic team from Sizwe Ntsaluba Gobodo have suggested that if they are appointed immediately they would be able to secure and copy relevant SCM documents pertaining to the 2016/2017 financial year before the annual audit by the Annual General commences therefore preventing the scenario from arising of documents required by the AG being with the SNG team and vice versa. SNG is a reputable audit and advisory firm having the necessary forensic audit and investigative expertise to conduct the forensic audit required. The duration of the engagement is for a period of one year commencing 1 July 2017 - 30 June 2018. The estimated cost for this is R8 675 400. An extension of the scope was approved to include cyber forensic services amounting to R689 499.36. They have the necessary cyber forensic capability to conduct these services.
8/2/115/2017-2018D	D30	N/A	N/A	22-Jun-17	Legal and Consulting Services	Lenist Trading t/a Patel & Associates	R 758,385.00	Single source limited bidding process utilised. Messrs Lenist Trading t/a Patel & Associates has considerable experience and knowledge in the local government environment and understanding of the municipality's vision and shortcomings and it would be impractical to go out on tender with such an appointment as ADM requires services of a specialist nature to adequately assist and guide the municipality in the areas of concern in working towards a clean audit. The contract to be for a 3 year period from 1 July 2017 - 30 June 2020. it should be noted that the appointment is rates based. So far an amount of R758 385.00 has been paid for services rendered.

8/2/117/2017-2018D	D33	N/A	N/A	6-Dec-17	Legal services	Lionel Trichardt and Associates	Rates based	Single source limited bidding utilised. Legal representation is required urgently and can not be delayed whilst a tender process is undertaken. Lionel Trichard and Associates has its practice outside the area of the district, hence has no prior dealing with the municipality and accordingly has the necessary independence to handle the matter. The firm has the necessary legal expertise to provide the required litigation services required on the matter. It is imperative that the appointments be investigated as urgently as possible. It is impractical to follow the normal procurement process or wait for the AG to audit the contracts which could take up some time.
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Total Amount

R 10,123,284.36

TOTAL PROCUREMENT DEVIATIONS

DEPARTMENT	TOTAL AMOUNT
Budget and Treasury Office	R 0.00
Corporate Services	R 214,611.84
Engineering Services	R 1,515,194.47
Community Services	R 0.00
Land Human Settlement & Econ Dev	R 39,800.00
Strategic Planning	R 901,966.60
LESS	R 0.00
Municipal Manager's Office	R 10,123,284.36
TOTAL	R 12,794,857.27

ANNEXURE "B"

The following procurement transactions have been reported and ratified by the Municipal Manager:

BREACHES

BTO

CONTRACT NO.	BREACH NO	DATE	DESCRIPTION	NAME OF SERVICE PROVIDER	VALUE	REASON FOR BREACH

Total Amount **R 0.00**

COMMUNITY SERVICES

CONTRACT NO.	BREACH NO	DATE	DESCRIPTION	NAME OF SERVICE PROVIDER	VALUE	REASON FOR BREACH

Total Amount **R 0.00**

ENGINEERING SERVICES

CONTRACT NO.	BREACH NO	DATE	DESCRIPTION	NAME OF SERVICE PROVIDER	VALUE	REASON FOR BREACH

Total Amount **R 0.00**

MUNICIPAL MANAGER'S OFFICE

CONTRACT NO.	BREACH NO	DATE	DESCRIPTION	NAME OF SERVICE PROVIDER	VALUE	REASON FOR BREACH

Total Amount **R 0.00**

CORPORATE SERVICES

CONTRACT NO.	BREACH NO	DATE	DESCRIPTION	NAME OF SERVICE PROVIDER	VALUE	REASON FOR BREACH

Total Amount **R 0.00**

LAND, HUMAN SETTLEMENTS AND ECONOMIC DEVELOPMENT

CONTRACT NO.	BREACH NO	DATE	DESCRIPTION	NAME OF SERVICE PROVIDER	VALUE	REASON FOR BREACH

Total Amount **R 0.00**

STRATEGIC PLANNING

CONTRACT NO.	BREACH NO	DATE	DESCRIPTION	NAME OF SERVICE PROVIDER	VALUE	REASON FOR BREACH

Total Amount **R 0.00**

LESS

CONTRACT NO.	BREACH NO	DATE	DESCRIPTION	NAME OF SERVICE PROVIDER	VALUE	REASON FOR BREACH
8/2/R	B17	27-Nov-17	Bedford Garden Festival: Live Band entertainment and Transport hiring for Garden Tours	Bhongo Distributors	R 15,200.00	Breach of SCM processes. No prior approval received and payment is required.

Total Amount **R 15,200.00**

TOTAL PROCUREMENT BREACHES

DEPARTMENT	TOTAL AMOUNT
Budget and Treasury Office	R 0.00
Community Services	R 0.00
Engineering Services	R 0.00
Municipal Manager's Office	R 0.00
Corporate Services	R 0.00
Land Human Settlements and Economic Development	R 0.00
Strategic Planning	R 0.00
LESS	R 15,200.00
TOTAL	R 15,200.00

**SUMMARY OF DEVIATIONS &
BREACHES**

TOTAL NO. OF PROCUREMENT

	<u>NO.</u>	<u>R</u>
Deviations	23	R 12,794,857.27
Breaches	1	R 15,200.00
TOTAL	24	R 12,810,057.27

7.1.2.3 REPORT ON OUTSTANDING DEBT DUE BY COUNCILORS AS AT 31 MARCH 2018 AND 30 APRIL 2018

[File No. 5/17/1]

[Author: Acting Chief Financial Officer/SYK/FN/zn]

[MC: 23 May 2018]

[Council: 31 May 2018]

PURPOSE

To apprise Council on the debt owed by Councilors as at 31 March 2018 and 30 April 2018.

AUTHORITY

The Municipal Finance Management Act 56 of 2003

LEGAL/STATUTORY REQUIREMENTS

Chapter 12, Section 124 (1) (b) of the Municipal Finance Management Act stipulates that: The notes to the annual financial statements of a municipality must include any arrears owed by individual Councillors to the municipality, or a municipal entity under its sole or shared control, for rates or services and which at any time during the relevant financial year were outstanding for more than 90 days, including the names of those councillors.

BACKGROUND / REASONING

ADMaC system has different categories of debtors in which ADM Councilors is one of them. A monthly report is generated in an attempt to analyze and give a full report as to the amount owing and by whom.

It is through the Credit Control policy that, monthly statements, reminders and telephone calls are made so as to settle debts timeously.

The Section 52(d) report for the third quarter was tabled in Council on 26 April 2018, the amounts contained in the report were obtained from the financial system but were however not an accurate reflection of the debt owed. Hence the debt owed by Councilors has been reconciled for the month of March 2018 and April 2018.

Only four (4) ADM Councilors have made payment arrangements with the Credit Control Unit. Deductions from their salaries are made on a monthly basis. Those Councilors that have not yet entered into a payment arrangement have outstanding debt that is in excess of 90 days.

Payment arrangements can be made at Head Office or at any satellite office.

Below are Table A and Table B indicating the debt due as at 31 March 2018 and 30 April 2018 respectively.

Table A: Councilors' Age Analysis – 31 March 2018

BUSINESS PARTNER	BP NAME	CURRENT	30DAY S	60DAY S	90 DAYS	120+DAYS	TOTAL AGEING
100013652	N H KONZA	425,08	448,04	493,96	379,16	851,35	² 597,59
100155981	BM GANJANA	379,16	356,20	539,88	² 075,97	7 630,40	¹⁰ 981,61
100160955	N TSHONA	425,00	493,88	872,77	562,76	6 652,88	⁹ 007,29
100036976	S& SE NDWAYANA	447,96	470,92	924,62		1 941,57	³ 785,07
100227680	S ZUKA	425,08	448,04	493,96	402,12	5 716,36	⁷ 485,56
100025883	LD PENISI	252,85	252,85	252,85	252,85	16 939,35	¹⁷ 950,75
100031324	NW NXAWE	356,24	356,24	356,24	356,24	807,53	² 232,49
100024279	X.C BADI	¹ 628,09	¹ 228,98	¹ 297,90	539,88	5 511,56	¹⁰ 206,41
100024280	X.C BADI	¹ 069,30	¹ 069,30	¹ 069,30	¹ 069,30	4 265,84	⁸ 543,04
100326826	J LOMBARD	379,16	356,20	356,24		206,60	¹ 298,20
100147558	CA AULD	402,12	493,96	¹ 441,47	706,36	14 174,20	¹⁷ 218,11
100147681	NA BONGA	329,86	-	-	-	-	329,86
TOTAL DUE		⁶ 519,90	⁵ 974,61	⁸ 099,19	⁶ 344,64	64 697,64	⁹¹ 635,98

4. Table B: Councilors' Age Analysis – 30 April 2018

BUSINESS PARTNER	BP NAME	CURRENT	30DAY S	60DAYS	120+DAYS	TOTAL AGEING	COMMENTS
100013652	N H KONZA	451.97	425.08	942.00	1,230.51	3,049.56	No arrangement
100155981	BM GANJANA	359.33	379.16	896.08	9,706.37	11,340.94	No arrangement
100160955	N TSHONA	451.89	425.00	1,366.65	6,215.64	8,459.18	Arrangement made
100036976	S& SE NDWAYANA	451.89	447.96	1,395.54	1,941.57	4,236.96	No arrangement
100227680	S ZUKA	451.97	425.08	942.00	6,118.48	7,937.53	No arrangement

10002588 3	LD PENISI	255.07	252.85	505.70	17,192.20	18,205.8 2	No arrangement
10003132 4	NW NXAWE	359.36	356.24	712.48	1,163.77	2,591.85	No arrangement
10002427 9	X.C BADI	3,148.41	1,628.0 9	2,526.88	6,051.44	13,354.8 2	Arrangement made
10002428 0	X.C BADI	1,078.68	543.04	-	-	1,621.72	Current debt
10032682 6	J LOMBARD	405.65	379.16	712.40	206.60	1,703.85	No arrangement
10014755 8	CA AULD	475.13	402.12	1,935.43	12,630.56	15,443.2 4	Arrangement made
10014768 1	NA BONGA						Arrangement made and account is in credit
TOTAL DUE		7,889.35	5,663.7 8	11,935.1 6	62,457.14	87,945.4 7	

CHALLENGES

Certain ADM Councillors have not yet made payment arrangements with the Credit Control office.

WAY FORWARD

Ongoing monthly restrictions to those who are not paying and not yet made payment arrangements
Monthly submission of Councillors Debtors Age Analysis to the Office of the Speaker

STAFF IMPLICATIONS

There are no staff implications.

OTHER PARTIES CONSULTED

Corporate Services Department.

FINANCIAL IMPLICATIONS

The collection of the outstanding amounts due from the Councilors would lead to an overall increase in ADM cash flows totaling to **R87, 945.47**.

ATTACHMENTS

There are no annexures

RESOLVED

That Council notes the debt owed by Councilors as at 31March 2018 and 30 April 2018.

7.1.2.4 STATUS QUO REPORT ON THE FINANCIAL RECOVERY PLAN

[File No: 5/1/R]

[Author: Acting Chief Financial Officer/SYK/bm]

[MC: 23 May 2018]

[Council: 31 May 2018]

PURPOSE

To inform the Council on the status of the Financial Recovery Plan.

AUTHORITY

- The Municipal Finance Management Act 56 of 2003.

LEGAL/STATUTORY REQUIREMENTS

Section 142 of the Municipal Finance Management Act provides as a minimum what is to be contained in a recovery plan for a municipality.

BACKGROUND/REASONING

The ADM is experiencing cash flow constraints and thus a financial recovery plan was adopted by Council to assist the municipality in securing its future financial viability and sustainability. The principal strategic objectives of the financial recovery plan are to place the municipality in a sound and sustainable financial condition as soon as possible by:

-) Improving the financial viability and management as well as the control environment;
-) Focusing the municipality's resources on its core function of service delivery and infrastructure development;
-) Tightening the governance aspects of the municipality.

The Financial Recovery Status Report is attached as Annexure "A".

The Senior Management Forum has met on several occasions to consolidate the reports received from the different teams.

The current interventions and austerity measures implemented by the ADM has assisted in reducing the budget allocated on line items from the 2015/2016 financial year to the 2017/2018 financial year.

Actual cash savings have not been realised yet and thus the ADM has not been able to rebuild cash reserves. The ADM continues to struggle in compiling a balanced budget.

STAFF IMPLICATIONS

Staff implications are contained in the attached Financial Recovery Status Report.

FINANCIAL IMPLICATIONS

Financial implications are contained in the attached Financial Recovery Status Report.

OTHER PARTIES CONSULTED

No other parties were consulted.

ATTACHMENTS

Annexure “A” – Financial Recovery Plan progress May 2018.

RESOLVED

That Council notes status quo on the financial recovery plan.

RESOLVED

That the reports from item 7.1.2.1 to 7.1.2.4 be noted.

No	ITEM	DISCUSSION	RECOMMENDATION	EXPENDITURE REDUCTION	STATUS/PROGRESS
1.	Credibility of the budget	Budget for a surplus	Balanced budget = all expenditure is cash backed	Certain expenditure Budget line items reduced in 2017/18	Draft 2018/19 budget reflects a deficit R464 million.
		No unfunded mandates	Reduce unfunded mandates/seek alternative funding sources		
		Reduce the revenue (Service charges) to realistic recoverable amount			Service charges reduced to realistically collectable during 2017/18 adjustment budget. Budget deficit of R413 million.
		Reduce employee costs	Reduce housing allowances, rental allowances	<p><u>Rental Allowances Expenditure</u></p> <p>2014/2015 No of staff paid Rental Allow: 334 Rental Allow paid: R1,821,671</p> <p>2015/2016 No of staff paid Rental Allow: 348 Rental Allow paid: R2,070,074</p>	<p>No study assistance budget in 2017/18. LGSeta used to assist in funding study assistance of which during March 2018 15 candidates were approved for bursaries.</p> <p><u>Rent Allowance Expenditure</u></p> <p>2016/2017 No of staff paid Rental Allow: 326 Rental Allow paid: R2,052,792</p> <p>2017/2018 No of staff paid Rental Allow: 309 Rental Allow paid: R1,948,417</p>

				<p><u>Housing Allowances Expenditure</u></p> <p>2014/2015 No of staff paid Housing Allow: 198 Housing Allow paid: R1,476,432</p> <p>2015/2016 No of staff paid Housing Allow: 215 Housing Allow paid: R1,875,600</p>	<p><u>Housing Allowance Expenditure</u></p> <p>2016/2017 No of staff paid Housing Allow: 205 Housing Allow paid: R1,924,152</p> <p>2017/2018 No of staff paid Housing Allow: 196 Housing Allow paid: R2,282,808</p> <p>Currently the ADM is short of R50 million for June 2018 salaries.</p>
		Review all policies that have a financial implication	<p>Tariff policy Credit and Debt collection policy Indigent policy Asset Management policy Budget policy Assets Policy Leave policy Essential user car scheme policy Travel and Subsistence policy</p>		<p>No real tangible amendments to the policies for the 2017/18 financial year</p> <p>Policies were reviewed and in draft phase for 2018/19.</p>
		MFMA Circular No 66 lists excessive sponsorship of, amongst others sporting events	The following additional examples of non-priority expenditure have been observed and municipalities		No budget in 2017/18 for festivals and sponsorships.

		including the purchases of tickets to events for Councilors and/or officials as non- priority expenditure.	are reminded that they need to be eliminated: i. Excessive sponsorship of music festivals, beauty pageants and sporting events, including the purchase of tickets to events for councilors and/or officials; ii)Public relations projects and activities that are not centered on actual service delivery or are not a municipal function (e.g. celebrations; gala dinners; commemorations, advertising and voter education); iii. LED projects that serve the narrow interests of only a small number of beneficiaries or fall within the mandates of other government departments such as the Department of Agriculture; iv. excessive catering for meetings and other events, including the use of public funds to buy alcoholic beverages; v. Arranging workshops and events at expensive private venues, especially ones outside the municipality (as opposed to using the municipality’s own venues);		LED programmes budgeted in 2017/18 just to lobby funds to partners ADM’s own boardrooms and Council chambers at Calgary are used
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			<p>vi. excessive printing costs (instead of maximising the use of the municipality’s website, including providing facilities for the public to access the website);</p> <p>vii. In terms of section 7 (1) of the Remuneration of Public Office-bearers Act, 1998 (Act No.20 of 1998) the Minister for Cooperative Governance and Traditional Affairs must determine the limit of salaries and allowances of the different members of municipal councils and any budget provision may not be outside this framework;</p> <p>viii. Costs associated with long-standing staff suspensions and the legal costs associated with not following due process when suspending or dismissing staff, as well as payment of severance packages or ‘golden handshakes’; and</p> <p>ix. The use of consultants to perform routine management tasks, and the payment of excessive fees to consultants.</p>		
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		No leave encashment for the 16/17 financial year	<p>Staff are encouraged to take leave to reduce the number of leave days due</p> <p>Moratorium of the selling of leave All staff to take statutory annual leave of 16 days every year.</p>	<p>Reduction in expenditure on leave encashment from previous years.</p> <p>Budget 2015/16 R8,063,425.18 Budget spent 2015/16 R2,356,521.84</p> <p>Budget 2016/17 R0 Total reduction in expenditure 2016/17 R2,356,521.84</p>	R6 million was set aside for 2017/18 subject to the availability of cash in the bank thus the moratorium of the selling of leave remains until the cashflow improves. Staff continues to take leave as advised by internal circulars.
2.	Adjust approved budget through an adjustment budget	Task completed Approved by Council 28 February 2016	Compliance with Chapter 4 of the MFMA.	2016/17 adjustment budget was approved by Council during February 2017, however there was a R10 million deficit for drought relief	2017/18 adjustment budget approved by Council February 2018 R464 million deficit
3.	Excessive allocation for SALGA Games, festivals etc.	Allocations towards these kind of events is to be stopped.	<p>Officials have raised funds on their own through sponsorships towards the SALGA Games. ADM paid affiliation fees amounting to R10 000 during 2016/17.</p> <p>A Golf day took place to raise funds.</p> <p>Carwash was initiated on Mondays and Thursdays.</p> <p>Mini Tournament was hosted 03rd September 2016.</p>	ADM paid R10 000 for the affiliation fees for the SALGA games during 2016/17	2017/18 no budget allocation for SALGA games or festivals

			Each player has contributed R400.00 to participate at the SALGA Games.		
4.	Cash Flow Management	Preparation of annual cash flow projections	Proper realistic cash flow projections to be performed on all operating and capital expenditure as well as projects both internally and externally funded.		Realistic Cash flow projections have not been performed on all items
		Investments	Re- Investing interest on “call accounts” and “fixed deposits” accounts instead of using to fund operations.	Actual Interest earned 2015/16 R20 393 216 Actual interest received 2016/17 R15 029 931	Actual interest received as at end March 2018 R2 628 121. R2 million has been invested in a fixed deposit account to commence the rebuilding of the cash reserves.
		Assign specific investment accounts to specific grants to improve cash flow management.	Open separate “call accounts” for the gazetted grants.	Specific investment accounts for the specific grant funding. Ring - fence grants. 2016/17 - Opened “call accounts” for the MIG Grant.	Call account is maintained for funds that are not required for immediate use to generate additional interest.
5.	Finance Management Team (FMT)	Determine if certain expenditure is essential.	All procurement (pink requisitions and memos) to be brought before the FMT by various departments for approval; FMT to assess all payments to be made based on available cash resources.	Alleviate Cash flow constraints. Payments Committee during 2016/17, chaired by Municipal Manager, comprised of Director: Strategic Planning, Acting Chief Financial Officer, Director	No committee in place for 2017/18, however payments are discussed as per priority list by MM and CFO.

				Engineering, General Managers in the office of Municipal Manager and Budget and Treasury Office. The Committee assessed the Pink Requisitions/ memos approving procurement.	
6.	Cost cutting on non-essential items	Food and Beverages	Stop all catering for internal meetings; Budget allocation for 2016/17 limited to Council and standing committees.	<p>Budget 2015/16 R1,235,849.00 Actual Expenditure 2015/16 R1,216,731.00</p> <p>Budget 2016/17 of R157 637 for Refreshments for Council meetings and Mayors meetings</p> <p>Total actual 2016/17 on refreshments and catering R1 292 333</p>	<p>Budget 2017/18 R1 000 000 Catering provided for committees of Council only because most Cllrs are coming from satellites.</p> <p>During February 2018 as part of the adjustment budget, Council resolved to only cater for Council meetings and Audit Committee meetings. Other external fora such IDP Rep forums and District Forums are catered for.</p>
7.	Cost cutting on non-essential items	Promotional material	Stop procurement of all promotional material. No budget allocation for 2016/17.	<p>Actual spent 2015/16 R33,090.00</p> <p>Budget 2016/17 R0.00 Total reduction in expenditure 2016/17 R33,090.00</p>	No budget provided for promotional material in 2017/18

8.	Cost cutting on non-essential items	Printing and Stationery	Strictly implement electronic agendas. Use of network printers instead of desktop printers. Scan supporting documentation Central store for stationery items or individual staff issuing. Limited budget for stationery to be controlled by HOD's.	Agendas are being electronically distributed electronically. Whelan stores is used as main storage outlet. Budget for stationery has been drastically reduced. Actual spent 2015/16 R1 930 781.00 Budget 2016/17 R714 862.00 Total reduction in expenditure R1,215,919.00	Agendas are being electronically distributed except in circumstances where the a Councillor does not have a laptop. 2017/18 Budget R1 000 000
9.	Cost cutting on non-essential items	Subscriptions	Only electronic subscriptions	Matter to be investigated as to costs. Several subscriptions have been cancelled. Budget 2015/16 R68 795.00 Actual spent 2015/16 R57 409.00 Budget spent 2016/17 R0 (No funds allocated) Reduction in expenses R68 795.00	2017/18 budget for newspaper subscription reduced to zero
10.	Cost cutting on non-essential items	Advertising	Advertise using ADM website	Advertising costs have been reduced.	Adverts are reduced and advertised in a local newspaper.

			Advert size to be reduced and detailed advert information to be placed on ADM Website.	<p>This has been implemented for tenders, using the website</p> <p>Actual spent 2015/16 R271 524.00</p> <p>Budget 2016/17 R166 637.00</p> <p>Total reduction in expenses: R104 887.00</p>	2017/18 budget for all advertising R300 000
11.	S & T Claims	S & T Claims (excludes the essential user subsidy)	<p>T/G 14 upwards are not to claim.</p> <p>Essential user car scheme members should not utilize council vehicles.</p>	<p>Actual spent 2015/16 R13 586 916</p> <p>Actual Spent 2016/17 R7 385 047</p> <p>Total reduction in expenditure: R6 201 869</p> <p>Travel claimed capped to 1000 km.</p> <p>No banking of Kilometers travelled.</p>	<p><u>S&T CLAIMS</u> BUDGET 2017/2018 R 12,282,933</p> <p>EXPENDITURE 2017/2018 R4,258,618 S & T to be monitored by HOD's</p>
12.	Procurement	Procurement	<p>Set standard prices for goods.</p> <p>Increase the fee for the payment of Tender Documents and RFQ's.</p>	<p>Standard price for all commodities</p> <p>Term tenders in place on fixed prices for goods and services.</p>	<p>Term tenders in place. Catering expired end of March 2018 Paper expired end of April 2018</p> <p>Tender documents and RFQ's fee increased by 6%</p>

			Water catering: Negotiate lower rates when the delivery of water will be for an extended period of time.	Water catering rates have been negotiated. Term Tenders for taxi services, legal services, banking services, plant hire were awarded.	
13.	Investments	Investments	Set aside a percentage in budget towards investments. Rebuild cash reserves.	Proposed that any interest earned on all ADM Banks accounts (current and call accounts) is not used to fund operations but rather invested in an attempt to re-grow investments. Actual interest received 2015/16 R20 393 16 Current account 2015/16 R15 029 931 The actual interest earned on deposit accounts has been used to pay operations. Cash flow constraints have not allowed interest to be accumulated to	Proposal to invest R1 million a month for a period of 5 years to build up the reserves. Thus far only R2 million has been invested in this fixed deposit account. Actual interest received as at end March 2018 R2 628 121.

				rebuild cash reserves during 2016/17. Actual interest received 16/17 R15 566 238	
14.	Projects	Internally funded Projects	<p>Review all projects and shelve all non- essential projects for 2015/16 FY. R13.9 million.</p> <p>Projects of R32 million during the 2015/16 FY have been declared by the municipality;</p> <p>2016/17 financial year only projects that have commitment will financed.</p> <p>Total project savings R32 million.</p> <p>Project commitments and cash-flow to be drafted for the 2016/17 Financial year for internally funded projects, MIG, MSIG and RBIG Projects.</p> <p>All projects to be committed on the financial management system.</p>	<p>Internally funded projects budget reduced by R32 million during the adjustment for the 2015/16.</p> <p>R15 Million budget allocated towards 2016/17 FY internally funded projects based on Contractual commitments already in place.</p>	The budget for 2017/18 for internally funded projects has been limited to R12 563 138 .
15.	Infrastructure Development	Water backlogs and provision	No new projects	Suspended contractors have been issued letters that they must return to	All suspended projects were resumed and some have already been completed with

			Completion of suspended projects Reduction of backlogs	site. There have been no increases in the contracts amounts of any of the MIG Contracts.	multi-year projects still under implementation.
		Sanitation backlogs and provision	Involve the communities and the ADM Employees to move the material and erect toilet structures.	Completion of suspended projects. Reduction of backlogs.	New contractors were appointed to continue with the implementation of sanitation projects to reduce backlogs. Front loading Sanitation Programme still waiting for the Department of Water and Sanitation for completion.
16.	Aspire	Financial viability of the Municipal Entity	<p>ADM Staff were seconded to Aspire temporarily to assist as CEO and CFO. Detailed breakdown of how R9.5 million is going to be reduced in the 15/16 FY</p> <p>Entity has to move towards becoming self- sustainable.</p> <p>Consider retrenchment.</p> <p>Scrutinize 2016/17 financial year budget.</p> <p>6% growth from the previous financial year.</p>	<p>ADM appointed a service provider to compile a Financial Recovery plan for ASPIRE. This was tabled at Council.</p> <p>The acting Chief Financial Officer and Chief Executive Officer were seconded from ADM to ASPIRE. These officials have subsequently returned to their original positions.</p> <p>Actual spent 2015/16 R18,521,350</p> <p>Actual Spent 2016/17 R 12,521,350</p>	<p>ASPIRE has appointed CEO and CFO</p> <p>2017/18 budget allocation R13 500 00</p> <p>The full amount has been transferred to ASPIRE</p>

				Total reduction in expenses: R6,000,000 ADM unable to afford any additional top up on the R12,5 million.	
17.	Unfunded Mandates	Unfunded Mandates	Reduce budget allocated to these mandates. Attempt to source alternative funding from the respective National and Provincial Departments responsible for these functions.	Reduction in budget allocation to unfunded mandates. Budgets have reduced by unfunded mandates. Housing projects; Land restitution projects; Agricultural projects; External sport projects Heritage/cultural; Education; Economic development; Military veterans	Programmes funded through internally funded projects has reduced.
18.	Fleet recovery and monitoring system contract	The current contract expired in May 2016 and it was extended for a period of three months effective from 01 June 2016 to 30 August 2016 and again from 01 September 2016 to November 2016. SCM has advised against extending it for another	A tender for Fleet Recovery and Monitoring System was advertised in August 2016. 18 Service Providers (Bidders) submitted their documents but SCM suggested that an amended specification be done prior to processes going further. All bidders were notified about amendments	ADM pays monitoring and recovery of around R1 600 000 per annum.	A new contract was awarded to Tracker Connect for the period of 24 months effect from the 01 December 2017 30 November 2019.

		two years as that would be in contravention with SCM framework because that will far exceed 25% of the limit of the contract.	and were provided with another submission date.		
19.	Transfer of tractors and disposal of council vehicles	These tractors were allocated to various co-operatives within ADM, however, they are still listed under ADM Asset Register. These tractors are insured and are licensed by ADM. This has a huge financial impact to the Institution and ADM should consider handing them over to the Co-operatives to take over full ownership thereof. That a verification and status report of these tractors to be transferred will be submitted to the EMC for approval.	That a physical verification process of the tractors be done and a status report be compiled. The committee also suggested that, a report for transfer of tractors be compiled and submitted to council for approval.	Anticipated cost savings on licensing and insurance of the tractors are as follows: J Insurance costs- R720.00 per tractor J R59 760.00 per month J R717 120 00 per annum J Licensing costs- R 326.00 per tractor x 83 J R25 896.00 per annum Total: R743 016.00 The tractors have been transferred	Item for the donation of tractors was submitted to council by BTO and such approval was granted by the council. Corporate Services de- registered all Tractors and removed from fleet register.
20.	Disposal of vehicles:	In terms of ADM Fleet Management Policy, Council vehicles:	a. That due to the current financial situation, service delivery vehicles will not be disposed of till the situation	The budget for 2016/17 R499 020 for licencing of all vehicles per annum. The same amount	Investigation on the pros and cons of purchase versus leasing has been initiated. On the other side vehicles due

		<p>“Fleet will be disposed of in line with the Supply Chain Management regulations and the Asset Management Policy, Procedures and Implementation guide”.</p> <p>The policy further stipulates that “vehicles will be replaced every 5-7 years or <u>200 000km</u> for sedans and 7-10 years or <u>350 000km</u> for bakkies and trucks, plant machinery and fire engines subject to the overall condition of the vehicle”.</p>	<p>improves for the replacement thereof.</p> <p>b. That under the current financial circumstances, it was not possible to dispose of vehicles as they would need to be replaced and if there are no replacements, service delivery will be negatively affected.</p>	<p>will be savings as licencing for leased vehicles will be the responsibility of Service Provider if ADM opts for Leasing.</p>	<p>for disposal have been identified and will be presented in council structures.</p>
21.	Insurance claims/ vehicle accident claims	<p>In the case of accidents and where a driver has been found to be negligent, excess is not claimed from the driver due to gaps in the policy.</p> <p>Letters are issued to the culprits however in the current form there is resistance as this is not covered on the Fleet</p>	<p>(a) The committee agreed that both the Fleet Management Policy and Procedure manuals must be reviewed to include these areas and be presented to all structures of Council for approval.</p> <p>(b) That during this process labour be consulted and be part of the reviewal</p>	<p>Excesses must be investigated.</p> <p>Negligent officials should be held liable for cost incurred.</p>	<p>Accident Committee meeting resolved that all Area Managers should initiate disciplinary processes where drivers are found to be negligent.</p>

		<p>Management Policy. Currently ADM is viewed by insurance companies as a high risk and this affecting monthly premium.</p> <p>Solution is that ADM must utilize section 32 of the MFMA which states that any political office bearer or official of a municipality who deliberately or negligently committed, made or authorized a fruitless and wasteful expenditure is liable for that expenditure.</p>	<p>and a workshop be conducted with all drivers.</p> <p>(c) It was also noted that there is a disjuncture between Corporate Services and BTO on the development of reports on insurance claims as well as vehicle right-off. The committee agreed that both units to meet and clarify their roles in the process because the current reports do not mention monies due to ADM in the event to vehicle right offs. That both Corporate Services and BTO to meet and clarify their roles on the generating insurance reports/ claims and right offs of vehicles.</p>		
22.	Fuel management and vehicle maintenance	Currently ADM has entered into a contract with Transit Solution (Standard bank) for the provision the provision of vehicle Fleet	The current fuel management system is not effective and is vulnerable to abuse.	E-fuel system was proposed as an alternative that ADM needs to explore as it can	Status quo. This has not happen as yet. The ADM is spending and average of R1.8 million per month on fuel and vehicle expenses.

		<p>maintenance and fuel. ADM is using petrol / fuel cards and all cards are kept by central points at satellite offices and head office. ADM is also facing a challenge of low turnaround time in terms of repairs and maintenance of vehicles which hinders service delivery to the communities. Fleet management unit will liaise with SCM and legal for advice on how to deal with under-performing service provider in the spirit of improving turn- around time for maintenance and repairs of ADM vehicles.</p>		<p>save a lot in eradicating abuse of fuel.</p> <p>During the previous financial 2015/16, ADM paid R3 631 095.44 for repairs and maintenance. The same amount could be savings as the service provider will be responsible for such.</p> <p>The expenditure for fuel during 2015/16 R6 999 356</p> <p>Actual expenditure 2016/17, R8 203 694</p>	
23.	Fleet Management Policy and Procedure Manuals		Both the policy and procedure manuals are to be reviewed to cover all loopholes that have been identified as well as areas that have potential savings for ADM as it migrates to different structures of Council for approval.		Fleet Management policy reviewed at presented at senior managers forum

24.	Proposal on Vehicle Leasing v Acquisition	<p>Due to current status, age and high costs in maintaining ADM fleet, the committee proposed that a comparison of the current system be done against vehicle leasing. In trying to compare these systems, two Service Providers, Avis and Kempston Hire were contacted and requested to submit quotations. This leasing would only apply to certain vehicle categories such as, Light Delivery Vehicles (bakkies), Sedans, Minibuses and Executive vehicles. Trucks, Fire engines, and plant machinery will be not be part of the leasing. They both submitted quotations on the total number of 242 vehicles consist of the following: On submission of quotations, AVIS seemed to be the cheapest as compared to</p>		<p>Most Municipalities and Government Departments are leasing vehicles in order to cut costs. Quotations were sourced from Avis, Kempston hire and Imperial. Imperial did not submit the quote. Avis and Kempston Hire quoted as follows:</p> <p>) The total rental amount from AVIS is R1 920 150.00</p> <p>) The total rental amount for Kempston hire is R2 900 000.00</p> <p>On submission of quotations, AVIS seemed to be the cheapest as compared to Kempston Hire. Both service providers are willing to do presentation if ADM so wish.</p> <p>The cost benefit analysis of leasing versus acquisition will be</p>	GM SCM and Corporate Services investigating pros and cons of both options
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		Kempston Hire. Both service providers are willing to do presentation if ADM so wish. Imperial did not submit a quotation.		beneficial to the ADM to determine a more cost effective option. Costing of e-fuel system is still outstanding. Costing of excess that will be the responsibility of negligent drivers is still outstanding. These will be included in the next progress report.	
25.	Revenue Enhancement Strategy	<p>The Revenue Enhancement Strategy was last reviewed in 2015.</p> <p>Political intervention is required as the meter readers are chased away.</p> <p>About 3 241 households meters are not read monthly at Raymond Mhlaba, Ngqushwa and Amahlathi. Translate to an average of 10kl per month at a cost of R14, 24 per kl excluding Vat.</p>	<p>Review of the Revenue Enhancement Strategy.</p> <p>Political Intervention.</p> <p>Restriction and disconnection of water.</p>	<p>CoGTA have appointed a service provider to run a revenue enhancement project at the ADM the MSIG Grant. The consultants are currently on site reviewing the existing policies and strategies.</p> <p>The land that ADM Owns is to be assessed for revenue earning potential Eg: leasing out for grazing.</p>	<p>Revenue enhancement strategy has been developed by Ducharme Municipal Solutions appointed by COGTA. Their contract expired on the 31st March 2018</p> <p>Political intervention has yielded positive results at Amahlathi. Areas such as Kati-Kati and Daliwe have allowed meter readers to read for the month of April 2018.</p> <p>Restrictions are being implemented.</p>

		Estimated annual loss in revenue of R6 275 613,12.			
26.	Indigent Registration improvement plan and implementation	Indigents are understated.	A drive to register indigents. Renewal of the indigents status in the Indigent Register.		Ongoing process to register indigents. Alignment of the Indigent Policies of the District and Local Municipalities Use of Local Municipality indigent registers in order to have same numbers
27.	Improved revenue collection	Non delivery of bills to users. Deceased owned accounts. Utilisation of more than one service providers by ADM to provide debt services	Utilisation of the latest technology like emails and sms to communicate. A committee to be established to visit the deceased households with a view of getting people who will Be responsible for accounts in these households. The commission paid out to the service providers should be based on the amount received and deposited into ADM bank account	An amount of R1 million per month is received through use of Revco; Revco (debt collector) is assisting to identify deceased estates as consumers do not notify the municipality of deaths. Collection from Squires & Smith Tabata are not yielding any positive results in relation to cash in flows	Statements are sent to consumers with emails, however since the migration from Venus to SAP during October 2017, the ADM has not been able to generate accurate or complete statements. This has severely impacted the cash flow as consumers refuse to pay. Notices to restrict households where accounts are still under the deceased names have been sent, Engineering are restricting those meters. Commission is only paid to debt collector for amounts received by the institution. Even the collection by the debt collector has been hampered by the system migration.

		Non-cooperation of the LMs to provide ADM with happy letters or a list of occupants	Revenue Enhancement Team to meet with LMs to convince to supply ADM with a list of RDP occupants.	Potential income of R72,000,000.00	List of RDPs have been submitted by some of the Local Municipalities. Reminder letters have been submitted to others for submission. Exploring the use of EPWP to assist with verification and identification of RDP occupants.
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GOOD GOVERNANCE AND PUBLIC PARTICIPATION

ITEM 7.1.3
GOOD GOVERNANCE AND PUBLIC PARTICIPATION

7.1.3.1 AMATHOLE DISTRICT MUNICIPALITY: INSTITUTIONAL OVERVIEW REPORT FOR THE PERIOD JANUARY – MARCH

[File No: 4/8/4]
[Author: Municipal Manager TTM/at]
[MC: 23 May 2018]
[Council: 31 May 2018]

PURPOSE

To provide Council with the 2017/18 Third Quarter Institutional Overview Report for **noting**.

Authority

-)] The Constitution of the Republic of South Africa, of 1996 as amended
-)] The local government municipal Structures Act 117 of 1998 as amended
-)] The White Paper on Local Government, 1998
-)] The local government Municipal Systems Act 32 2000 as Amended
-)] The Municipal Finance Management Act 56 of 2003
-)] The Traditional Leadership and Governance Framework Act, 2003
-)] The Municipal Property Rates Act, 2004

BACKGROUND / REASONING

The Municipal Manager has a responsibility to provide Council with quarterly updates on the progress made and the strategic direction the institution is taking. The report will reflect all departments' activities for the period of October to December 2017 and will further touch on operational matters that management considers vital for Council's attention.

This report is in line with the Back to Basic Strategic Objectives that are aligned with the Five Key National Objectives for local government:

-)] **Public Participation - putting people first;**
-)] **Basic Services – creating decent living conditions;**
-)] **Good Governance – demonstrate good governance and administration;**
-)] **Financial Viability – prudently manage resources to ensure sustainable development**
-)] **Building Capable Institutions and Administration – administered and managed by dedicated and skilled personnel at all levels.**

In addition to the requirements of Back to Basics, the institution has added the **Local Economic Development and Spatial Planning** as priority objectives.

PUBLIC PARTICIPATION

ADM continues to enhance participatory governance by creating space for Councillors and officials to interface with the communities they serve. During the quarter under review, the following community engagements were undertaken:-

Water Forum Meetings

March is a national water month and ADM joined the campaign and convened water forum meetings at Amahlathi LM on 05/03/2018, Mbhashe LM on 12/03/2018 and Mquma LM on 13-14/03/2018. Issues raised at the meetings include, illegal connections, leaking meters, houses built within flood line range, vandalism, contractors not finishing projects, cleaning of dams and dysfunctional PSC. In response, ADM indicated that interventions introduced include carting of water, drilling of new boreholes and campaigns on water conservation.

SPU Capacity Building Programs

On the 20 February 2018, ADM in partnership with Great Kei LM and the Commission for Gender Equality (CGE) hosted a gender awareness programme at the Mooiplaas Community Hall for the people with disabilities as a build-up programme towards Human Rights Day. The CGE made a presentation and highlighted various points on gender issues.

As part of the Back to School campaign, ADM visited various schools across Amahlathi Local Municipality on 28 and 29 February 2018 to hand over shoes and school bags. This capacity building programme for children was done in partnership with a Financial Services company called Maximum profit Recovery (MaxProf) which donated money as part of their social responsibility programme. The following schools benefitted:-

NAME OF SCHOOL	NO OF CHILDREN	AREA
1. Nokuzola Primary School	15	Keiskamahoek area
2. Fort Cox Primary School	15	
3. Kubusi combined Primary School	10	
4. Kubusi Secondary School	10	
5. Nothenga Primary School	40	Stutterheim area
6. Zamukukhanya Farm School	40	
7. Ithembelihle Public School	35	
8. Fundani High School	15	Cathcart area
9. Daliwe Primary School	20	

In her key note address, the Executive Mayor stressed the importance of empowering and taking care of children from an early development stage. Various challenges were raised and ADM subsequently approached both the Department of Social Development and the Department of Home Affairs to assist the schools and the communities in addressing some of these challenges. Amahlathi Local Municipality also committed itself to make a follow up with the Department of Education regarding scholar transport, renovating and fencing of some schools.

On the 06th of March 2018, ADM, in partnership with Standard Bank, visited Khulani Day Care Centre in Ngqushwa Local Municipality as part of the Back to School campaign. R60 000.00 worth

of educational toys, kids mattresses, tables and chairs were donated to the centre. This amount was made available by Standard Bank as part of their efforts to plough back to the communities.

On 01 March 2018 a capacity building programme was conducted for youth at the King Hintsa TVET College, Mbhashe LM. The overall objective of the campaign was to mobilise young people to know their HIV status, promote condom usage and prevent Sexual Transmitted Infections.

Civic Education

During the week of 19-23 March 2018 ADM partnered with the Eastern Cape Legislature and rolled out a Civic Education Program in three (3) LM's namely Mbhashe, Mquma and Ngqushwa LM. The main objectives of the programme are to equip citizens with knowledge and skills to participate and contribute to the development of democratic governance. The delegation included ADM Speaker Cllr N. Ndikinda, Ngqushwa Speaker Cllr. Magingxa, Acting Mquma Mayor, Cllr Manxila, Honourable MPL Mr M. Ndamase, the Honourable MPL Ms F Bayeni, Road Traffic Agency Officials, ADM Officials, Eastern Cape Legislature Officials and Officials from the respective LM's. For the Eastern Cape Legislature the sessions were consultative meetings meant to obtain views of the communities on the proposed amendments to legislation on Road Traffic Regulations (Administrative Adjudication of Road Traffic Offences Amendment Bill, 2015). Topics covered by ADM included Understanding how local government works, Public participation, Draft IDP/Budget phase, Voter registration, Indigent registration.

Moral Regeneration Movement

The ADM MRM Executive Committee in partnership with the District Aids Council and Great Kei Local Municipality conducted a Positive Value Awareness Campaign at the Great Kei hall on the 08th March 2018. ADM had identified drug abuse and teenage pregnancy as one of the challenges facing communities in the Great Kei Municipal area, hence the campaign. The purpose was therefore to create awareness on the dangers of substance abuse, early pregnancy and crime, to encourage community members to adopt the positive values and to encourage community members on testing for the chronic illnesses like HIV & Aids and Cancer. Presentations were made by the MRM Executive Committee Secretary, representatives from the Department of Health, Department of Social Development and the South African Police Services. The MRM Executive Committee Chairperson delivered the keynote address.

Sport Development

ADM developed the District Sport Development Strategy to promote continuous participation in sport by communities, staff members and councillors. In Quarter 3 four (4) sport development programmes were implemented:-

No.	Programme	Date	LM area
1.	The 29 th Ngumbela Cricket Tournament	07 January 2018	Healdtown - Raymond Mhlaba
2.	Volleyball Match (Employee sport)	03 March 2018	UFH – Raymond Mhlaba
3.	Soccer Match (Employee sport)	16 March 2018	Komga – Great Kei
4.	Soccer Tournament (Employee Sport)	21 March 2018	Great Kei

Petitions Management

In Quarter 3, there were no petitions received.

Awareness Initiatives

Subsequent to the press statement issued by the National Minister of Health on the Listeria outbreak, Environmental Health Practitioners conducted 55 awareness campaigns throughout the district at businesses, schools, communities, tribal authorities and health facilities on symptoms and preventative measures of Listeriosis.

-) The Disaster Management Unit coordinated multi-stakeholder awareness campaigns around drought issue.
-) The Unit also coordinated the seating of Joint Operations Centres (JOC's) in affected areas to discuss drought interventions and mitigation measures.
-) The declared drought was classified and an amount of R1 380 000.00 was transferred for drought relief.
-) Community based risk assessment, community dialogue sessions were conducted throughout the district, and top three (3) risks identified during the sessions were drought, strong winds and fires. Awareness campaigns were conducted to advise communities on the effects of drought and how to save water.

BASIC SERVICES

Amathole District Municipality's capital funding is mainly from grants being the MIG, WSIG and RBIG grants. The total MIG grant allocation is R436m for the 2017/18 financial year. The full allocation has been received. The first tranche received during quarter 1 was R147m. The other two tranches were received in the quarter under review, which amounts to R289m in total. The municipality has spent R238m which equates to 55% of the total allocation to date. R62m has been spent in the quarter under review.

The total WSIG allocation is R90m for the 2017/18 financial year. The municipality received R90m in two equal tranches of R45m each and spent 34% of the transferred amount as at 31 March 2018. The first tranche was received in quarter 1 and the second tranche was received in the quarter 3. R10m has been spent in the quarter under review.

The total RBIG allocation is R62m for 2017/18 financial year. The municipality received R59m and the spending to date is R48m. This equates to 82% spending in terms of the transferred amount as at 31 March 2018. In addition, the R48m spending equates to 78% of the 2017/18 allocation, R3m has been spent in the quarter under review.

ADM is committed to spend 100% of the MIG allocation ensuring that services reach the intended communities.

Indigent Registration

ADM continues providing relief to its consumers through the indigent subsidy of 6kl free water per month and old debt being written off to consumers who apply and qualify in terms of Council approved policy. The subsidy paid on indigent increases quarter by quarter.

Water and Sanitation Backlogs

The water backlog baseline in the ADM at the beginning of July 2017 and progress made up to end March 2018 is as follows:

Local Municipality	Households			Percentage
	Stats SA 2011	Serviced	Backlog	Serviced
Raymond Mhlaba	41 976	41 445	531	98.7%
Ngqushwa	21 363	20 152	1 211	94%
Great Kei	10 272	10 172	100	99.0%
Amahlathi	34 086	33 462	624	98.2%
Mbashe	60 021	54 961	5 060	91.5%
Mnquma	69 588	62 217	7 371	89.4%
TOTAL	237 306	222 409	14 897	95.1%

During the third quarter, **no additional** households were connected with RDP level of supply while 246 households were provided with an interim supply.

For sanitation, the backlog baseline at the beginning of December 2017 and progress to end March 2018 is as follows:

Local Municipality	Households			Percentage
	Stats SA 2011	Serviced	Backlog	Serviced
Raymond Mhlaba	41 976	26 946	15 030	64.2%
Ngqushwa	21 363	17 854	3 509	83.6%
Great Kei	10 272	8 472	1 800	82.5%
Amahlathi	34 086	24 831	9 255	73.0%
Mbhashe	60 021	40 779	19 242	68.0%
Mnquma	69 588	49 051	20 537	70.5%
TOTAL	237 306	221 776	70 953	73.63%

During the third quarter, **984** additional households were supplied with VIP latrines.

Electricity and Energy Backlogs

Through the Electrification program headed by ESKOM, households within the ADM jurisdiction are receiving attention. The table below presents the total number of current backlogs is at 29 614 households with Mbashe, Mnquma and Great Kei having the largest number of households.

Municipality	Historic Backlog	Eskom Electrified	Remaining Backlog	% Achieved	New Extensions Backlog	TOTAL Current Backlog
Amahlathi	34181	34181	0	100	600	600
Mbhashe	50644	38223	12421	74.4	4504	16925
Mnquma	70984	63009	7975	88.7	2775	10750
Ngqushwa	28962	28962	0	100	0	0
Great Kei	5659	5659	0	100	1339	1339
Raymond Mhlaba	32853	32853	0	100	0	0
TOTAL	223283	202887	20396	90.9	9218	29614

Through the Intergovernmental Relations Forums and the IDP Steering Committee and IDP Representative Forum progress reports are being provided. Progress made is only reported when communities are connected, lights on and able to use electricity. Free Basic Electricity is provided to a number of customers across the district.

Human Settlements Backlogs

The Department of Human Settlements continues to make inroads in the provision of Houses within the ADM jurisdiction. Currently, the following housing delivery projects are being undertaken in ADM:

Local Municipality	Project Name	No of Subsidy	Delivery Planned	Status
MNQUMA LOCAL MUNICIPLALITY	SIYANDA PHASE 2	1200	Processes of a turnkey contractor procurement are underway.	New
	SIYANDA PHASE 3	1241	Processes of a turnkey contractor procurement are underway.	New
	SIYANDA PHASE 4	1500	Processes of a turnkey contractor procurement are underway.	New
RAYMOND MHLABA	BEDFORD GOODWIN PARK	1000	Complete : 47 Roofs : 0 Wall Plates : 1 Foundations : 0 Not started : 4	Running
	BEDFORD GOODWIN PARK	1000	Complete : 48 Finishing : 1 Roofs : 0	Running

			Wall Plates : 0 Foundations : 0 Not started : 40	
	BEDFORD ZINC STRUCTURES	600	Department still negotiating contract terms with the Contractor.	Running
	WORTELDRIFT	255	Complete : 34 Finishings : 13 Roof : 5 Wall Plates : 6 Foundation : 5	New
GREAT KEI	KEI MOUTH ICWILI	278	Complete : 21 Roof : 0 Wall Plates : 0 Foundation : 15	Running
	CINTSA	85	Not started : 8 Wall plate : 3 Roof : 31 Completed : 63 VIP toilets : 46	Running
NGQUSHWA	Peddie 500	500	Contractors are employed. NHBRC Enrolment is done. Beneficiary administration underway.	Running
	Mphekweni 500	500	Procurement has been withheld	Running
	Hamburg 500	500	Processes of a turnkey contractor procurement are underway.	Running

Due to the fact that ADM is no longer a developer in terms of Housing Policy, there are continuous engagements with the Department of Human Settlements in the functions allocated to ADM for each project that is being implemented.

Grants Allocated to address Infrastructure Backlogs

The following grants were gazetted for Amathole District Municipality to address infrastructure backlogs during the 2017/18 financial year:

No.	Grant	DORA Budget R	Received R	Expenditure R	% Expenditure of total budget
1	MIG	436 439 000	436 439 000	238 318 993	55%

2	WSIG	90 000 000	90 000 000	30 663 640	34%
3	RBIG	62 363 000	59 954 352	48 458 113	82%
4	RAMS	2 933 000	2 933 000	0	0%

Drought Challenges

From a service delivery perspective, the drought appears to have “broken” with the Xilinxha dam, supplying Butterworth, having risen to 54% and the Adelaide dam having risen to approximately 40%. The inflow into the Adelaide dam is still strong and the level is expected to continue rising. In all other areas across the District, dams are either 100% or just below this level and no drought related challenges are expected this winter.

An ongoing ground water investigation project has yielded some success in the Teko Fihla area and a contractor is on site equipping these boreholes for potential use in Butterworth and Ibika. The Department of Water and Sanitation loaned water tankers (10) will be withdrawn from the end of April, but ADM has received permission to utilise Water Services Infrastructure Grant (WSIG) funding to procure 10 of its own tankers. It is expected that these will only be delivered towards the end of the financial year.

A further R1.3mill has been allocated by the National Disaster Management Centre for drought relief in Mbashe. This will be used to drill boreholes in the Nqabara and Dutywa drought prone areas.

Illegal Household Connections

In other areas, illegal household connections remain a challenge. The excessive demand created by these illegal connections results in some households getting all the water while others go without. This is further exacerbated by the leaks that the illegal connections often cause.

A service provider was appointed in January 2018 to target the repair of leaks in areas supplied by the Amatola Water Board (AW). During this exercise they are also recording the number and locality of illegal connections so that these can be addressed once the implementation plan of the Rural Yard Connection Policy has been finalised.

The appointed service provider began the leak repair intervention on the Gaga Tyume scheme and to date have managed to reduce the demand by 26% (or 1 500 kl /day). At a current tariff of R9.81 from AW, this is equivalent to a financial savings of R14 715 / day or R441 450 per month. Other areas to be tackled by the service provider will be Masincedane in Amahlathi, Debe Neck, Sandile and the Peddie Regional Scheme.

Drinking and Waste Water Compliance

The drinking water compliance rate for the second quarter was 88 % which is below the required standard of >97% as prescribed by the Department of Water & Sanitation. Non- compliance was observed in all 6 Local Municipalities due to no chlorine detected or chlorine levels below the 0.2 mg/l required limit. However, the non - compliant samples did not pose any health risk as no cases of water borne disease were reported by local clinics. Non- compliance in wastewater monitoring was high in all local municipalities due to ageing infrastructure and treatment works operating above design capacity due to population growth.

Health Surveillance of Premises

During the quarter under review, 619 food handling premises were inspected, where 524 (85 %) complied including minor defects and 95 (15 %) did not meet the minimum required standards. Compliance on the high risk (food preparing) was at 80% and non-compliance at 20 % whilst compliance for low risk was 87% and non - compliance at 13%. Mquma Municipality had the most non-compliance in the high-risk premises, follow up inspections conducted have yielded positive results as in most premises interventions were being implemented with business owners showing cooperation. Great Kei Municipality had the most non-compliance in the low risk premises.

Subsequent to the recall of Enterprise brand products by the National Consumer Commission, the National Department of Health issued a directive on 06th March 2018 to Municipalities regarding action on Environmental Health investigation and response with regard to the Listeriosis outbreak. Environmental Health Practitioners monitored food premises throughout the district to monitor and ensure the safe disposal of the recalled products. 09 food samples taken and analysed for *Listeria Monocytogenes* tested negative. Out of the 46 milk samples taken at dairy farms and outlets analysed for *Listeria Monocytogenes*, 11 tested positive and 35 tested negative. Follow up visits were conducted on premises testing positive and these advised to suspend the sale of the milk to public whilst premises were being cleaned.

Poor management of landfill sites, continue to be common challenges within the district. A meeting was convened with Local Municipalities Community Services Directors and Managers, with the purpose of ascertaining readiness on the Green fund application facilitated by the Department of Environmental Affairs and Tourism. ADM has submitted on behalf of Municipalities under the Material Recovery Facilities (MRF) project i.e. Amahlathi (Keiskammahoek) and Mquma (Centane and Ngqamakwe) and the Eastern Regional site. Amahlathi Municipality submitted for the Stutterheim landfill site. Afriwaste as a potential strategic partner identified by ADM on waste management was introduced to Local Municipalities to formalise the working relationship with Local Municipalities.

In preparation of the Provincial Greenest Municipality competition previously known as the Cleanest Town Competition, a final baseline assessment was conducted in Municipalities with a view of establishing benchmark indicators for the monitoring and evaluation process.

Funeral parlour inspections conducted across the district had a 77% compliance rate and non-compliance was 23%, with the highest rate at Mquma and Raymond Mhlaba Municipalities.

Disaster Management

-) During the months of January – February 2018 severe weather events were reported to have caused damages to dwelling structures in Amahlathi, Mquma and Raymond Mhlaba Municipal areas.
-) Most affected structures were traditionally built houses in Mbhashe and Mquma Municipalities due to the nature of the construction material i.e. mud and grass.
-) A consolidated report on damages assessed and assistance required by the disaster victims was sent to local municipalities to apply for assistance from the Department of Human Settlements.

- J) Sixty-eight (68) emergency calls were attended to in the district of which 52.9 per cent was of motor vehicle accidents. The high number of motor vehicle accidents was observed at the Great Kei Local Municipality and involved private vehicles.

GOOD GOVERNANCE

Function of Council and its Committees

During the quarter under review all meetings of the Council, Mayoral Committee, Section 79 committees and Section 80 committees were convened as scheduled, with the exception of the SDI meeting and MPAC meeting, both scheduled for 17 January 2018, which did not sit due to lack of quorum.

Municipal Public Accounts Committee

The Municipal Public Accounts Committee meeting scheduled for 17 January 2018 did not sit due to lack of quorum. The committee subsequently convened on 8 March 2018 to perform an oversight function on the 2016/2017 Annual Report of ADM and Aspire, Report by AG, Quarter 2 Section 52(d) report and the Adjustment to ADM's SDBIP and Budget Adjustment for the 2017/2018 financial year.

Policy Workshop for Councillors

A policy workshop for all ADM Councillors was held on 12-13 March 2018 at the Calgary Conference Centre, East London. The purpose of the workshop was to present newly developed and amended policies to councillors, and traditional leaders. Through this platform councillors were able to engage in in-depth discussion of policies so that when the same policies are presented to council for adoption, there is no elaborate discussion or questions.

Audit and Risk Committee

The Audit and Risk Committee convened on 12 February as part of its oversight responsibilities in terms of section 166 of the Municipal Finance Management Act, 2003 (Act No 58 of 2003, as amended). During the meeting, the committee reviewed various reports relating to the governance of the institution. It is worth mentioning that amongst the reports reviewed by the committee was the report on Action Plans to address issues raised by the Audit General. The Chairperson of the committee tabled the committee's quarterly report to Council on 28 March as required by the Audit & Risk Committee Charter/Terms of Reference.

Internal Audit Unit

The Internal Audit unit is mandated to perform audits for ADM and communicate results of the audits to the relevant departments, executive management and the Audit and Risk Committee. The unit is also expected to provide quarterly performance reports as per SDBIP. During quarter 2 the unit was expected to complete 6 audits at ADM. The unit managed to complete 5 of the 6 expected report and the sixth report relating to mSCOA could not be finished due to non-availability of the client. The Audit and Risk Committee, as the structure delegated by Council to perform oversight function on all audit and risk related matters reported to Council about all matters highlighted in the audit reports.

Integrated Development Plan

ADM conducted an Institutional Strategic Planning session on 14 - 17 February 2018 at Mpekwini Resort. This session was preceded by a Technical session that took place on 04 – 09 February 2018. The

proposals and outcomes of the strategic planning provided input into the 2018/19 Integrated Development Plan. Furthermore, a two-day workshop held on 12 and 13 March 2018 provided an opportunity to all ADM Councilors to further discuss and give input into the IDP Sector Plans and Council Policies.

The IDP Representative Forum held on 16 March 2018 endorsed the draft 2018/19 IDP and Budget, before tabling to Council for approval on 28 March 2018.

IGR Forums

To facilitate coordination, cooperation and joint planning between the spheres of government, a water safety committee meeting was convened with Department of Water Affairs, Amatola Water Scientific Services & Engineering Department (ADM) where the key issue discussed was the drinking and wastewater quality both by Engineering Operations and from Municipal Health Services. Furthermore, the following forums did sit during the quarter under review:

-)] GIS Shared Service on the 15 March 2018.
-)] District Internal Audit Forum on the 13th March 2018.
-)] Corporate Services Forum on the 1st March 2018.
-)] District Mayors Forum (DIMAFO) on the 26th March 2018
-)] Technical MuniMEC and MuniMEC on the 27 February to 01 March 2018.

FINANCIAL VIABILITY

Capex and Opex Expenditure

The third quarter spending on operating expenditure indicates that 50% of budget had been spent. The capital expenditure indicates that 51% of the budget has been spent. Grant performance reflects 52% of the allocated budget has been spent, with 55% of the MIG budget being spent. The application for roll over on the MIG grant of **R2.8 million** and WSIG grant of **R3.2 million** has been approved by National Treasury with the exception of **R1.8 million** NDPG and **R298 000** FMG. The approved roll overs have been reflected in the 2017/18 budget.

The total income from capital received to date amounts to **R596 million** including roll overs and **R492 million** being income received from non-capital grants and operating income in the form of service charges for water, sanitation and fire services. The total capital expenditure to date amounts to **R323 million** while the total operating expenditure to date amounts to **R749 million**.

The operating expenditure as at the third quarter ending 31 March 2018 is below the approved budget, with a total underspend of 33%. Municipal spending continues to favour the SMME through their status contribution of BBB-EE. During the quarter under review, a total rand value of all contracts awarded amounts to **R89.8 million** and 99% was awarded to BBB-EE.

Revenue Enhancement

Due to system challenges encountered, some of the consumers are not paying for services received, citing reasons to be the non-delivery and/or inaccuracy of statements in order to ascertain the amount to be paid. All the identified challenges are being addressed through a thorough gap analysis.

A draft Revenue Enhancement Strategy has been developed with assistance of a service provider appointed by CoGTA which will be incorporated into the Municipal Turnaround Strategy.

The ADM has appointed a debt collector on a commission basis. Historic domestic debt, being older than 120 days, has been handed over to the debt collector to pursue.

An average of around R900 000 is received monthly from the debt collector.

During the third quarter, business debt has also been handed over to the debt collector in an attempt to increase collections.

Implementation of mSCOA

ADM is currently transacting on mSCOA version 6.1 as required by National Treasury for the 2017/18 financial year. Challenges have however been experienced where the Section 71 reports and the mSCOA GUID strings are not reconciling rendering the electronic submissions via the portal to National Treasury as non-compliant.

The draft 2018/19 budget tabled in Council during March was to be submitted in the version 6.2 format, however due to financial constraints, this version has not yet been implemented. Despite this challenge, the Budget and Treasury office continues to ensure that the reports are manually prepared and submitted within the legislated time frames.

Engagements are taking place between the ADM, Provincial Treasury and the system vendor to resolve the mSCOA issues.

BUILDING CAPABLE INSTITUTION AND ADMINISTRATION

Corporate Services Department is at the centre of the new administrations-strategic plan to bring back Amathole District Municipality (ADM) to its former glory. The first area of focus as pronounced by the Municipal Manager is to develop and implement the organisational Turn-Around Strategy (TAS). In this regard, Municipal Infrastructure Support Agent (MISA) through Lidwala, have partnered with ADM in ensuring that the administrations strategic plan is realised. Although the support provided by Lidwala is institutional; for Corporate Services the point of departure with regards to effecting the TAS is the **Organisational Development and Design** exercise. Following the maturity assessment carried out in the three divisions of Corporate Services, for the second quarter, Lidwala then issued a draft diagnostic report which depicted a rather concerning situation for the organisation. In as far as corporate services is concerned, the report will form the basis of the departmental Turn Around Strategy.

Findings of the diagnosis which were presented to the EMC in the 1st quarter, indicated that the Engineering Services Department establishment plan was not effective, and that there is high level of vulnerability in areas of management skill levels and technical skill levels. Furthermore, other findings were also as follows:-

-) The establishment does not make provision for segregation of functions between Water Services Authority and Water Services Provider and it seems as if the structure is determining the functions of the department instead of the functions determining the structure, as a result, employees are not optimally utilized:
-) The establishment plan was found to have too many levels, which causes delays in the decision – making;
-) More than 30% of the staff in Engineering Services Department is administration staff and;
-) There is shortage of skill staff, such as Technicians, Artisans, and Process Controllers for both Water Treatment Works and Waste Water Treatment Works.

With regards to the development of the new organisation structure, progress has been made in the quarter under review, in that the draft structure has been completed and taken through the EMC and Councillor Workshop. The draft structure was also tabled for noting in the ADM Council of the 28th of March 2018. The Council noted the draft structure with a provision that the structure be taken to the Local Labour Forum (LLF) for further consultation. The intention of Corporate Services is to present the final draft to the ADM Council for approval in May 2018.

Resignation Of The Chief Financial Officer

During the quarter under review, the Chief Financial Officer (CFO) resigned and the 31st of March was her last day at ADM. Corporate Services has already initiated the recruitment process for the filling of the vacant CFO position in that:

-) The Council has approved the advertisement of the post.
-) The post has been advertised on local and national newspapers.
-) The advertisement closes on the 13th of April 2018.

Municipal Support

ADM continues to support local municipalities in areas of capacity and related. During the third quarter, areas of finance, human resources, internal audit, engineering, planning, local economic development and human settlement were prioritised as support to local municipalities in the district.

LOCAL ECONOMIC DEVELOPMENT AND SPATIAL PLANNING

Tourism

As part of growing the economy of ADM through tourism, ADM managed to retain the Blue Flag Status for Hamburg Beach in Ngqushwa Municipality attaining the Pilot Blue Flag for Birha Beach (Ngqushwa Municipality), Tenza and Qatywa Beaches (Mbhashe Municipality). As a result, this positions the coastline of ADM as the prime tourist destination for beachgoers. The ADM also collaborated with Eastern Cape Parks and Tourism Agency in an effort to market the district as a tourist destination of choice, this collaboration does not exclude the local municipalities and local tourism organisation. Furthermore, the ADM also working with the Grading Council in order to ensure that all our accommodation establishments are grade and comply with Service Excellency

standards. The programme of heritage restoration and conservations is also assisting the ADM to excel in terms of social cohesion with the tangible and intangible Heritage promotion.

Ocean Economy

ADM together within its municipalities has identified several beaches within its jurisdiction in order to implement Oceans Economy under the Operations Phakisa Programme. Those beaches falls under Great Kei, Mnquma, Mbhashe and Ngqushwa Local Municipalities. This process led to the identification of catalyst projects in all these areas in order to grow the local economy of these local municipalities and their communities. The ADM in partnership with sector departments hosted a number of workshops on the 05th February and the 15th March 2018, with the objective of promoting a conducive environment for the success of this programme as a key driver in the growth of its economy. On the 16th March 2018, the ADM. hosted the District workshop – Operation Phakisa. The purpose of this workshop was to further engage the traditional authorities that coming from all the identified developmental zones to enlighten them and get their full support on the programme. The workshop was graced by the presence of the both Xhosa Kingdoms, ADM Mayor, Speaker, Councillors, and Office of the Premier (O.T.P) and Public Works, representatives from sector departments and ADM staff.

Agriculture

The ADM developed a feasibility study for the Fresh Produce Market, which is still on draft phase. The study is in line with the creation of enabling environment for commercial farmers within the district. The draft recommendations have been, submitted to the Council Structures for adoption.

Enterprise Development

The ADM is currently one of the leading municipality in terms of Incubation Contractor Programme, which saw 34 contractors acquiring a higher grade and, are able to compete amongst themselves and other well-known construction companies. The programme of Beauty and Textile for emerging designers within the area of ADM is also assisting our designers to reach their target markets through participation in the trade shows and exhibitions.

In partnership with the SCM ADM is currently reviewing its SCM policy in order to be able to procure other serves in our local SMME's.

Cooperatives Development Support programme is one programme that ensures rural communities and informal traders participate in the economy of the district. Together with Great Kei Municipality, the ADM hosted Cooperative Indaba on the 13th of March 2018. The purpose of the Indaba was to raise awareness on the financial opportunities available for cooperatives and to create a conducive environment for businesses to thrive.

Expanded Public Works Programme

With the use of the EPWP Grant, job creation opportunities in the Environmental, Infrastructure and Social Sectors through Bush clearing, Cleaning of Reservoirs and Beautification of Parks and Towns were produced and this is still progressing very well.

Implementing Municipality	Number of Beneficiaries
Raymond Mhlaba Municipality	30
Amahlathi Municipality	30
Ngqushwa Municipality	60
Great Kei Municipality	30
Mbhashe Municipality	30
Mnquma Municipality	30
TOTAL	210

In an effort to ensure that more work opportunities are created, the EPWP Policy is under review to include the following aspects:

-)] Collaboration with the local municipalities in so far as projects identification and implementations is concerned.
-)] Aspect of MIG funded projects to include a percentage for job creation and skills development.
-)] Centralisation of EPWP reporting within the institution.
-)] Policy review consider the role of political committee.

Spatial Planning

SDF Compliance

During the Quarter under Review, in line with the provisions of Section 26 of the Local Government Systems Act, various Draft Sector Plans were assessed their compliance with the SDF, and were found to be in order and in line with the 7 Pillars, (*Environmental, Social Development and Human Settlements, Rural Development, Infrastructure, Economic Development, Human Resources; and Governance*),

The assessment clearly depicted that the Plans do conform with the its vision of “*acknowledging our space for development that focuses and exploits potential opportunities and capabilities for the betterment of community livelihoods in a sustainable manner*”

SPLUMA Implementation

In view of the fact that Council and its LMs resolved to have a Shared Services Centre approach on SPLUMA Implementation, during the period of Reporting the Municipality is finalising the selection / appointment of members to serve in the District Planning Tribunal. Out of the six (6) ADM Local Municipalities, five (5) have resolved to join the District (Municipal) Planning Tribunal except for one municipality, Mbhashe Local Municipality, that has decided to a single Municipal Planning Tribunal.

Land Reform

During the period of Reporting, various Land Reform programmes were implemented. These include the sitting of the Land Reform Forum, which is a Strategic body to cross-pollinate ideas on “localised” land reform matter. Further, on the Programme, Council has since resolved to transfer certain Land Reform Parcels of Land to various Municipalities in line with the Land

Redistribution Programme for BCMM, in areas of Macleantown, Needscamp Newlands and Ducats.

Human Settlements

The Housing Strategy Programmes were also implemented; these include Housing Consumer Education in the area of Victoria Post, Raymond Mhlaba LM. Further, assistance on the National Upgrading Support Programme (NUSP) (*activities involved municipal upgrading programmes, assessing and categorising settlements, developing settlement upgrading plans*), for areas of 4 Settlements in GKM, 11 Raymond Mhlaba, 4 Mbashe 2 Mnquma, 4 Amahlathi and 2 Ngqushwa LM.

STAFF IMPLICATIONS

There are no staff implications

FINANCIAL IMPLICATIONS

There are no financial implications

OTHER PARTIES CONSULTED

No other parties were consulted

ATTACHMENTS

There are no annexures

RECOMMENDATION

That Council note the 2017/18 Third Quarter Institutional Overview Report.

7.1.3.2 PROGRESS REPORT: AMATHOLE DISTRICT MUNICIPALITY INTEGRATED FINANCIAL AND INFORMATION MANAGEMENT SYSTEM (ADMaC) ACCURATE DATA MANAGEMENT CAPSULE

[File No: 9/1/1]

[Author: Director: Strategic Management/AT/lm]

[Special MC: 23 May 2018]

[Council: 31 May 2018]

PURPOSE

The purpose of this item is for Council to note the progress report on the implementation of ADMaC (Accurate Data Management Capsule).

AUTHORITY

- The 1996 Constitution of the Republic of South Africa.
- Municipal Finance Management Act, 2003

LEGAL/ STATUTORY REQUIREMENTS

Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognised accounting practice, uniform expenditure classifications and uniform treasury norms and standards. The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), determines those measures for the local sphere of government and enables the Minister of Finance to further prescribe by regulation such measures in terms of section 168 thereof. The National Treasury is responsible for enforcing compliance with such measures.

BACKGROUND / REASONING

The National and Provincial spheres of government are already using a standardised chart of account for classification of budget, revenue and expenditure information for both financial and non- financial reporting. The local government sphere currently does not have a uniform standard chart of account hence “there is a disjuncture in the reporting of municipalities and municipal entities and between municipalities and other spheres of government on how they classify revenue and expenditure and consequently report thereon”.

The mSCOA (municipal Standard Chart of Accounts) regulations were then gazetted on the 22 April 2014 and came into effect on 01 July 2017. The regulations also proposes the specification of minimum business process requirements for municipalities and municipal entities as well as the implementation of processes within an integrated transaction processing environment.

The Auditor-General of South Africa (AGSA) in its Annual Consolidated General Report on Local Government Audit Outcomes for 2009/10 noted that; “analysis of data and reporting happens on additional applications to further manipulate data drawn from these systems” (AGSA 2015, p. 42). The report goes on further to say that when 162 municipalities and municipal entities were audited countrywide 43 different systems were found in use covering the following business processes

Payroll, Asset Management, Billing (Rates, Water and Electricity), Procurement etc. These business application ranged from “off-the-shelf packages (computer packages bought) to systems developed in-house and customised systems (computer packages bought and modified)” (AGSA 2015, p. 42).

ADM embarked on a project in 2012 to create an Information Technology Strategic Plan that is a five-year document that outlines the status of ICT in the municipality and highlights areas of improvement that are broken down into a number of projects covering a period of five years (2013 – 2017). This document was adopted by council for implementation in the 2012/13 financial year.

It was noted that the municipality had “23 different systems deployed from 1998” (ADM 2015, p. 37). The systems ranged from:

-) Human Resource and Payroll Management,
-) Asset Management,
-) Document Management Systems,
-) Asset Management,
-) Risk and Audit Management,
-) Asset Portfolio Management of IT Assets,
-) Project Management and Reporting for IDP projects and Performance Management System,
-) Water Management Information System addressing asset management, maintenance management, demand management and commercial management,
-) Performance Management System,
-) Telemetry Remote Monitoring System, Organizational charting and planning software etc.

The cost of maintaining and upgrading these systems was costly and that current system landscape concurred with the finding that data must first be extracted from these systems to be able to further analyse for decisions making due to non-integration (AGSA 2015, p. 42).

The recommendation from the study indicated that ADM must have an integrated financial and information management system.

ADM COMPLIANCE ON mSCOA REGULATIONS

ADM embarked on a process to procure a fully integrated system (ADMaC – Accurate Data Management Capsule) in 2014/15 and a service provider was appointed for a period of three years.

Initially, the acquiring of the system was not in line with the MSCOA Circular 1 issued by the National Treasury on the 21 July 2015, as the appointment was already undertaken. In responding to such, an ICT due diligence was done as part of the requirements and a suitable infrastructure was procured for the successful implementation and use of the system. Therefore, the ADMaC system needed to comply with the 15 minimum business processes as prescribed in the Municipal Standard Chart of Accounts (mSCOA):

1. Corporate Governance
2. Municipal Budgeting, Planning and Modelling
3. Financial Accounting
4. Costing and reporting
5. Project Accounting
6. Treasury and Cash Management
7. Procurement Cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable
8. Grant Management
9. Full Asset Life Cycle Management including Maintenance Management
10. Real Estate and Resources Management
11. Human Resource and Payroll Management
12. Customer Care, Credit Control and Debt Collection;
13. Valuation Roll Management;
14. Land Use Building Control; and
15. Revenue Cycle Billing

Below, is the summary description of the ADMaC Modules in alignment with the mSCOA 15 Business Processes:

-) Materials Management – Manages the procurement activity of an organization.
-) Project Systems – Project System helps you manage project through its entire life cycle, from setting up a structure, to drawing up detailed plans, to execute and completing the project.
-) Financial Accounting (FI) – manages financial transactions in an organisations and comprises of Accounts Payable, Asset Accounting, Funds Management and General Ledger
-) Document Management System – manages the capturing, storing, managing, delivering & preserving documents that are used in the process of transacting in the system.
-) HCM (Human Capital Management) – manages all the human resource management processes in an organisation and has the following sub-modules Performance Management (Individual Performance), Talent Management & Learning Solutions, e-Compensation, Personnel Cost Planning, e-Recruitment.
-) ISU (Industry Specific Solution for Utilities) - is a sales system that supports utilities and also includes Customer Care services from a utilities perspective.
-) SD (Sales and Distribution) – manages adhoc billing i.e. conservancy tanks, emergency water carting, new connections and reconnections etc.

Phase	Date	Modules
Phase 1A	25 July 2016	<ul style="list-style-type: none"> • SAP Material Management (MM) (Opex) • Finance General Ledger (FI-GL) • Finance Funds Management (FI-FM) • Finance Accounts Payable (FI-AP) • Document Management System (DMS)
Phase 1B	05 September 2016	<ul style="list-style-type: none"> • HCM Core (i.e. Excl. Talent Management) • Organisational Management • Personnel Administration • Employee Relations • Time Administration

		<ul style="list-style-type: none"> • Payroll Administration • Employee Self Service (ESS) • Manager Self Service (MSS) • Finance Funds Management (FI-FM)
Phase 1C	17 October 2017	<ul style="list-style-type: none"> • SAP Project Systems • Finance Asset Accounting (FI-AA) • Finance Funds Management (FI-FM) • Procurement (Capex)
Phase 1D:	9 October 2017	<ul style="list-style-type: none"> • Industry Specific Utilities (ISU) • Real Estate (RE) • Customer Services (CS) • Sales and Distribution (SD) • Finance Funds Management (FI-FM)
	26 October 2017	Information Technology Service Management (ITSM)
	December 2017	CHARM
Phase 2A	29 August 2017	<ul style="list-style-type: none"> • Learning Solutions (LSO) • Performance Management (PM) • Talent Management (TM)
Phase 2B:	12 October 2017	<ul style="list-style-type: none"> • Personnel Cost Planning (PcP) • eCompensation (eCOMP)

-) Real Estate – manages properties and facilities and supports all life cycle phases of the real estate assets i.e. acquisition or disposal of real estate, management of the real estate portfolio, property and technical management including accounting and reporting.
-) Business Intelligence - allow business users to view, sort and analyze business data.
-) IMQS – provides a systematic approach to effectively budget, establish, maintain, upgrade and operate physical infrastructure assets and is GIS centric.

IMPLEMENTATION OF ADMaC

In line with the requirements of MSCOA compliance, ADM started transacting on the system in July 2016 through a phased approach, which as follows as per the Go-Live Dates:

The following is the outstanding modules that still need to be completed towards an Integrated Financial and Information Management System:

Module	Reasons for Delay
BPC (Business Planning and Consolidation)	<ul style="list-style-type: none"> • NT minimum system requirements released May 2016 (12 months after project started) • Budgeting tool identified as a GAP in proposed solution • EOH agreement with NT to include BPC for ADM in October 2017 • Budget team onboarding February 2018 • Planned Go-live 17 July 2018

PROGRESS TO DATE

In transacting in the system, there have been several challenges that are faced by the Super Users and business process owners. In response to such, The Executive Management has held session with Supers Users and Business Process Owners including ADM ADMaC implementing agent in order to respond in creation of an enable environment towards the full functionality of the system. In response to such engagements, various initiatives are being undertaken to assess the challenges encountered in the use of the system. These were undertaken in a form of a Gap Analysis on the system. The objectives of the Gap Analysis are to:

- J Analyse the current business process implementation in the system in particular Billing, Finance and HR.
- J The alignment of IT policies to ADMaC focusing on but not limited to:
 - Security Management
 - User Access Management
 - Overall system management and maintenance
 - Change management
 - IT Service Continuity
- J Propose required institutional changes to sustain the system from a system governance perspective.
- J To help ADM maximise the use of the system functionality and fully infuse the new business processes in its daily operations thereby digitizing the municipality

Moreover, engagements with various stakeholders in soliciting support towards stabilizing the system are being held.

Preliminary Findings on the Gap Analysis

Following an engagement of an Independent IT specialist, a preliminary finding report has been produced on the ADM Integrated Financial and Information Management system. The outcomes were as follows:

- J Material defects were found in the core modules of Billing and Finance, namely, the failure of the Billing and Finance module integration. Since the Go-Live of ISU in October 2017, ADM is still unable to report accurately on the Revenue component of its Financial Statements that has resulted in disclaimers on compliance reports (Section 71 and Section 52(d) of the MFMA) resulting in lack of credibility on the data for decision making by ADM Council.
- J As of 18 April 2018, there are 108 open issues of which 64 relate to the FI module such as the inability to reconcile bank accounts, inability to produce a trail balance and non availability of reports to meet compliance requirements. These have been registered with the implementation agent to address however, 90% of the issues registered are open for more than 30 days. This has resulted in serious detrimental impact on the functions of the Budget unit in the Budget and Treasury Office (BTO) and causes delay in the decommissioning of legacy systems (e.g. Venus) thus increasing duplicating costs for ADM.
- J The IT section of the AG report highlighted missing IT policies and Standard Operating procedures related to SAP security and authorizations.
- J The training, change management and post Go-Live support was inadequate given the complexity of the ADM ADMaC in its methodology of “stable-state” support model (CoE) based on elapsed time rather than when the ADM was ready. This may have created the resistance to the system by ADM Officials and lack of confidence in the use of the system.

Engagements with Stakeholders

Following the outcomes of the preliminary findings of the Gap Analysis, an engagement has been held with the implementing agent to outline the process of dealing with the challenges stated and the process to be undertaken to ensure that the system is fully function for ADM by end of their contract.

In addition, an engagement was held between the Provincial Treasury and the Implementing agent wherein the purpose was to assess the functionality of the system and the readiness of complying with MSCOA Version 6.2. It was resolved that various undertaking be done by the implementing agent and ADM in order to ensure that all necessary measures are in place towards the compliance to MSCOA version 6.2.

STAFF IMPLICATIONS

There are no staff implications.

FINANCIAL IMPLICATIONS

ADMaC and IT Infrastructure

The initial contract amount for ADMaC implementation was **R 75,217,200.00 vat inclusive** and ADM IT infrastructure was assessed and found not to be suitable to operate ADMaC. IT infrastructure was procured that would operate effectively with a disaster recovery for an amount of **R 23,940,000.00 vat inclusive** and IT infrastructure support for a period of one year (01 November 2015 – October 2016) at a cost of **R 1,333,800.00 vat inclusive**. The contract operated thereafter on a month to month basis from November 2016 until it was terminated in May 2017 with an amount of **R 747,736.36 vat inclusive** due.

Total: R 101 238 736.36 vat inclusive

MSCOA Compliance

The system needed to be mSCOA compliant and the service provider was then appointed for an amount of **R 11,309,712.00 vat inclusive** to implement mSCOA version 5.4 and went live on 01st July 2016. ADM required support on mSCOA and a change request was accepted for an amount of **R 1,498,350.00 vat inclusive**. Late in the 16/17 financial year there was a requirement by National Treasury for all municipalities to transact on mSCOA version 6.1 on 01st July 2017 and a change request accepted to the amount of **R 775,200.00 vat inclusive**.

Total: R 13 583 262.00 vat inclusive

Data transformation and Phase 1 D go-live

Data from Venus was not readily suitable to be migrated to ADMaC based on its unique data requirements and as such support was required to transform the data including speeding up resolving of data exceptions by ADM. This caused delays in the planned go-lives of Revenue and two of them were missed with a change request for delays approved for **R 7,213,473.12 vat inclusive**. Extension of contract was made to the amount of **R 5,785,500.00 vat inclusive** for data transformation to speed up data migration.

Total: R 12 998 973.12 vat inclusive

The table below summarises the above and provides amount paid to date and what is outstanding.

Contract Name	Contract Number	Contract Account (Vat Inclusive)	Invoices Paid (Vat Inclusive)
Supply, Delivery, Installation and Commissioning of Financial Management System for Amathole District Municipality NB: Initial contract	8/2/376/2014-2015C	R 75,217,200.00	R 50,102,734.76
ADDITIONAL COSTS TO THE CONTRACT			
The ICT Infrastructure amortised over a period of 36 months	8/2/504/2014-2015D	R 23,940,000.00	R 23,940,000.00
Provision of IT Infrastructure Support	8/2/105/2015-2016D	R 1,333,800.00	R 1,333,800.00
Provision of IT Infrastructure Support	8/2/105/2015-2016D	R 747,736.36	0
Implementation of Municipal Standard Chart of Accounts (mSCOA) for the Amathole District Municipality	8/2/51/2015-2016D	R 11,309,712.00	R 11,076,298.14
mSCOA CR	Awaiting Contract / Award letter; Change Request Signed off	R 1,498,350.00	0
GUID String CR	Awaiting Contract / Award letter; Change Request Signed off	R 775,200.00	0
Data Transformation	8/2/376/2014-2015C	R 5,785,500.00 (Pending Payment)	0
Delay in the Go Live Date of Phase 1D (Revenue) to 09 October 2017	Awaiting Contract / Award letter; Change Request Signed off	R 7,213,473.12	0

Business Process Support and Project Management Services on the ADMaC Project	8/2/195/2017-2018	R 1 485 648.00	0
Total Contract Values including pending appointments		R 129 306 619.48	R 86 452 832.90
Amount outstanding		R 42 853 786.58	

OTHER PARTIES CONSULTED

All Directorates
Provincial Treasury

ATTACHMENTS

There are no annexures.

RESOLVED

That Council notes the progress report on the implementation of ADMaC (Accurate Data Management Capsule)

RESOLVED

That the reports from item 7.1.3.1 to 7.1.3.2 be noted.

BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

ITEM 7.1.4
BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

7.1.4.1 WATER RESOURCES IN THE AMATHOLE DISTRICT MUNICIPALITY: MAY 2018

[File No. 17/3/R]

[Author: Director: Engineering Services Department/LG/sn]

[MC: 23 May 2018]

[Council: 31 May 2018]

PURPOSE

To report to Council the current state of water resources in the Amathole District in May 2018.

AUTHORITY

- The Local Government Municipal Structures Act 117 of 1998 as amended.
- The Local Government Municipal Systems Act 32 of 2000 as amended
- The Water Service Act 108 of 1997

LEGAL/STATUTORY REQUIREMENTS

- The Municipal Structures Act assigns the function of Water Services Authority to the ADM;
- In terms of Section 78 (1) of the Municipal Systems Act, the ADM took a resolution to provide water services through internal mechanisms;
- The Water Services Act defines the responsibilities of Water Service Authorities, Water Services Providers and Water Boards.

BACKGROUND / REASONING

During the past three years, many parts of the Amathole District Municipality have experienced severe drought conditions. From a domestic water supply perspective, these dry conditions have mainly affected the Mbhashe, Mnquma and Raymond Mhlaba (specifically Bedford and Adelaide) local municipalities.

The good rains that fell during March and April 2018, have brought welcome relief to the drought affected areas and it is unlikely that ADM will experience drought conditions during the coming winter period.

It should be noted, however, that many of ADM's dams are very small and should ADM once again experience poor summer rains during the 2018/19 summer period, then once again certain

areas will experience drought conditions. For now, however, there should be sufficient water resources to see most communities through the coming winter months.

The table below depicts the current dam levels:

Dam	Local Municipality	Town Supplied	Level	Status
Xilinxha	Mnquma	Butterworth	60%	<input type="checkbox"/>
Gcuwa		Butterworth	80%	<input type="checkbox"/>
Toleni		Toleni	87%	<input type="checkbox"/>
Ngqamakwe		Ngqamakwe	100%	<input type="checkbox"/>
Ngxakaxha	Mbhashe	Dutywa	96%	<input type="checkbox"/>
Golf Course		Dutywa	85%	<input type="checkbox"/>
Mputi		Dutywa	100%	<input type="checkbox"/>
Electric		Willowvale	85%	<input type="checkbox"/>
Ngubekaya		Mendu	85%	<input type="checkbox"/>
Mcwasa		Mcwasa	100%	<input type="checkbox"/>
Cwili	Great Kei	Kei Mouth	100%	<input type="checkbox"/>
Morgans Bay		Morgans Bay	95%	<input type="checkbox"/>
Haga Haga		Haga Haga	45%	<input type="checkbox"/>
Cinsta		Cinsta	100%	<input type="checkbox"/>
Sam Mayor	Amahlathi	Cathcart	100%	<input type="checkbox"/>
Gubu		Stutterheim	100%	<input type="checkbox"/>
Wriggleswade		Kei Road	100%	<input type="checkbox"/>
Hogsback	Raymond Mhlaba	Hogsback	100%	<input type="checkbox"/>
Sandile		Alice	100%	<input type="checkbox"/>
Binfield		Gaga Tyume	100%	<input type="checkbox"/>
Kat River		Fort Beaufort	100%	<input type="checkbox"/>
Dorps		Adelaide	58%	<input type="checkbox"/>
Andrew Turpin		Bedford	61%	<input type="checkbox"/>

NOTE: The low level of the Haga Haga dam is due to a very severe leak in the dam wall. The Engineering Department is in the process of addressing the situation.

DROUGHT MITIGATION PLANS

In order to lessen the impact of future droughts, the ADM is currently implementing the following short, medium and long term initiatives:

Short Term

Water carting is one of the few “short term” interventions available to the ADM. In this regard DWS gave permission for the ADM to procure 10 tankers from its WSIG grant. The tankers will most likely be distributed as follows:

No.	Local Municipality	No. of tankers
1	Mbhashe	3
2	Mnquma	2
3	Great Kei/ Amahlathi	1
4	Ngqushwa	2
5	Raymond Mhlaba	2

The tankers may be moved around in the District should the drought situation change in any of the areas.

In addition to the procurement of tankers from the WSIG grant the ADM has been allocated R1.38mill from the National Disaster Management Centre for the drilling of boreholes in the Mbashe areas of Dwesa, Ngqabara and Dutywa. The drilling of the boreholes should be completed by the end of June 2018, but they will only be equipped in the new financial year. The method of equipping will depend on their location and yields.

Medium Term

No.	Local Municipality	Initiative	Progress to date
1	Mbhashe: Dutywa	Drill boreholes and install emergency pipeline	Complete and operational
2	Mnquma: Butterworth Toleni	<ul style="list-style-type: none"> ➤ Drill and equip boreholes ➤ Equip supplementary boreholes 	<ul style="list-style-type: none"> ➤ Contractor appointed to equip boreholes in Teko Fihla ➤ Ongoing
3	Raymond Mhlaba: Bedford and Adelaide	Supplement supply from Fish River – pump stations require refurbishment	Scheme operational, but refurbishment still required
4	Amahlathi	<ul style="list-style-type: none"> ➤ Connect Gwili Gwili to Keiskammahoek Supply ➤ Equip supplementary borehole in Mgwali ➤ Redrill boreholes at Goshen and Toise 	<ul style="list-style-type: none"> ➤ Complete ➤ Complete ➤ Drilling completed

Long Term

No.	Local Municipality	Initiative	Progress to date
1	Mbhashe: Dutywa	Bulk Services Source development	Bulk services upgrade project captured on 3 year capital plan, but no further progress to date

2	Mnquma: Butterworth	<ul style="list-style-type: none"> ➤ Install pipeline from Tsomo to Ngqamkwe Regional Water Supply scheme. Initially will provide raw water to Xilinxu and later treated water to Butterworth via Ndabakazi ➤ Install pipeline from Xilinxu to Gcuwa to reduce losses ➤ Bulk Services Master Plan 	<ul style="list-style-type: none"> ➤ At Tender stage – to be implemented by DWS ➤ Plan still to be developed ➤ Still to be developed
3	Raymond Mhlaba: Bedford and Adelaide	Bulk Services Master Plan	Still to be developed

FINANCIAL IMPLICATIONS

The ADM has re-allocated R 35 400 000 of WSIG funding to drought interventions of a capital nature, such as borehole drilling and equipping as well as the procurement of water tankers.

STAFF IMPLICATIONS

There are no staff implications

OTHER PARTIES CONSULTED

No other parties were consulted

ATTACHMENTS

There are no annexures

RESOLVED

That Council notes the report on the current state of water resources in the Amathole District in May 2018.

RESOLVED

That the report from item 7.1.4.1 to 7.1.4.1 be noted.

REPORTS FOR APPROVAL BY COUNCIL

ITEM 8.1
MUNICIPAL FINANCIAL VIABILITY

8.1.1 REQUEST FOR INDIGENT BAD DEBT WRITE OFFS FOR APPROVED INDIGENT CONSUMERS – OCTOBER - DECEMBER 2017

[File No. 5/17/1]
[Author: Chief Financial Officer/NT/SK/ZN]
[MC: 24 April 2018]
[Council: 31 May 2018]

PURPOSE

For Council to approve the write –off of total outstanding debt of **R 2 656 487.45** denoted in **Annexure “A” – “C”**, in line with provisions of the ADM Indigent policy, as it relates to those households granted Indigent support subsidies.

AUTHORITY

- The Local Government Municipal Systems Act 32 of 2000 as amended.
- The ADM Indigent Policy 2017 / 2018

LEGAL/STATUTORY REQUIREMENTS

- In terms of the Municipal Systems Act 32 of 2000, Section 97(1) (c) a Municipality’s credit control and debt collection policy must make provision for indigent debtors that is consistent with its rates and tariff policies and any national policy for indigents.
- Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy.

BACKGROUND / REASONING

In line with a policy decision taken to provide Indigent support to households where the total gross monthly income of the owner is not more than to 2 state old age pensions, and who qualify for a subsidy on service charges for water and sanitation, the Budget and Treasury Office has been actively engaging debtors with the aim of providing the requisite financial support envisaged.

The attached Annexure is a listing of debtors who have applied for Indigent debtor status and have been approved by the Municipal Manager as delegated by Council. The Annexure is also an indication of the outstanding amounts to be written off, once Council approval has been granted. Below is a summary of the amounts to be written off per area, per month.

October – December 2017 listings

Area	Number of applications received	Amount to be written off – October – December 2017
Raymond Mhlaba(Nxuba)	128	R 656 320.97
Amahlathi	112	R 621 036.29
Great Kei	15	R 70 062.24
Mbhashe	07	R 0.00
Mnquma	81	R 600 084.68
Ngqushwa	67	R 262 450.91
Raymond Mhlaba(Nkonkobe)	48	R 446 532.36
TOTAL	458	R 2 656 487.45

The following process was followed to test debtor eligibility for Indigent status, and to quantify the extent or the subsidy that can be granted in line with the ADM Tariff policy:

- Completion of an approved ADM Indigent application form duly signed.
- Copy of the primary beneficiary's South African Identity Document.
- Proof of income, copy of 3 months bank statement & pension card.
- Duly completed application form for ADM water and sanitation services.
- Deeds confirmation denoting ownership of immovable property.
- Tenant/occupier approved by the property owner to open the account
- Confirmation of level of service on registered site informing formal subsidy benefit.
- Comprehensive reconciliation of account to determine extent of arrears on account.

The subsidy is only valid for a period of 24 months from the date of approval, and the review of the debtor's Indigent status will be an annual on-going exercise.

Indigent applications have been received through, walk in consumers as well as the door to door done by the field verification officers. The reasoning behind this is to bring the services closer to the people and to make communities aware of the indigent subsidy.

In line with the ADM Tariff Policy, the approved Indigent debtors qualify for a 100% rebate for up to 6kls of consumption for water. Similarly as the Tariff and Indigent Policies are aimed at ensuring consumer responsibility for water consumption, upon approval of their Indigent status, and writing of debts owing, these debtors would therefore be responsible for payments of water consumption in excess of the approved 6kl subsidy.

Consumers on the list are legitimate beneficiaries of this program, if consumers that are unduly benefiting the indigent policy and corrective measure shall be implemented as outlined in our 2017/2018 Indigent Policy.

RECOMMENDATION

That Council approves the write – off of total outstanding debt of **R 2 656 487.45** denoted in **Annexure “A” “C”-**, in line with provisions of the ADM Indigent Policy as it relates to those households granted Indigent support subsidies.

**ANNEXURE A: REQUEST FOR INDIGENT SUBSIDY APPROVAL AND BAD DEBT WRITE - OFFS
FOR APPROVED INDIGENTS-DEBT OWED AS AT 31 OCTOBER 2017**

AMAHLATHI										
NO.	Account Number	Name	Surname	Address	ID Number	Area	Total Bal w/o Interest	Total Interest Amount	Total Outstanding Bal	Subsidy per Annum
1	000100381586	NOMALIZO SOPHIA	MKO	PO BOX 333 KEISKAMMAHOEK 5670	4507210239083	MRD for KEISKAMMAHOEK	1,707.65	0.00	1,707.65	3,533.76
2	000100381035	THEMBAKAZI BRUJCT	JAMES	P.O. BOX 292 KEISKAMMAHOEK 5670	8207180453089	MRD for KEISKAMMAHOEK	2,942.60	11.12	2,953.72	3,533.76
3	000100235059	ZOLEKA	SHISHWANA	6450 KOLOGHA STUTTERHEIM 4930	7011240736082	MRD for STUTTERHEIM	1,551.79	9.41	1,561.20	3,534.12
4	000100201590	AVA	SEYMOUR	2400 MLUNGISI LOC STUTTERHEIM 4930	5302090267084	MRD for MLUNGISI\CUMAKALA	7,067.44	53.39	7,120.83	3,533.76
5	000100201464	BANDANILE	VANYA	2472 MLUNGISI LOC STUTTERHEIM 4930	5809015918088	MRD for MLUNGISI\CUMAKALA	5,939.69	5.06	5,944.75	3,533.76
6	000100201304	NONTLUPHEKO	PETER	1770 MLUNGISI LOC STUTTERHEIM 4930	3901040328086	MRD for MLUNGISI\CUMAKALA	5,455.91	18.66	5,474.57	3,534.12
7	000100008437	SIVUYILE ANDREW	MOLOSE	6874 KOLOGHA HOUSING PROJECT STUTTERHEIM 4930	7811055722089	MRD for STUTTERHEIM	18,748.24	81.44	18,829.68	3,533.76
8	000100008117	THOBEKA	BANGANI	6567 KOLOGHA HOUSING PROJECT STUTTERHEIM 4930	6210220521081	MRD for STUTTERHEIM	18,037.07	130.43	18,167.50	3,534.12
9	000100007928	THOBEKA	HLANGOMVA	6389 KOLOGHA HOUSING PROJECT STUTTERHEIM 4930	7207050390081	MRD for STUTTERHEIM	18,087.01	77.65	18,164.66	3,533.76
10	000100007759	FREDRICK JACOBUS & ELFRIEDA ANN	BEZUIDENHOUT	P O BOX 152 STUTTERHEIM 4930	5205225805083	MRD for STUTTERHEIM	3,538.96	11.42	3,550.38	3,533.76
11	000100006501	NANCY & LESLIE	BOOTH	28 PROTEA DRV AMATOLAVILLE STUTTERHEIM 4930	6009150193089	MRD for STUTTERHEIM	4,995.73	24.29	5,020.02	3,533.76
12	000100006000	NTOMBINA	BUSUKU	P.O. BOX 175 STUTTERHEIM STUTTERHEIM 4930	5806160922089	MRD for MLUNGISI\CUMAKALA	3,633.58	25.63	3,659.21	3,533.76
13	000100005367	NOMATHEMBA MARGARET	NTSHONA	P O BOX 2044 STUTTERHEIM 4930	4510110173089	MRD for MLUNGISI\CUMAKALA	6,409.62	35.68	6,445.30	3,533.76
14	000100003101	THANDIWE	KOSIE	CUMAKAZI LOC STUTTERHEIM 4930	6712090522081	MRD for MLUNGISI\CUMAKALA	767.93	0.06	767.99	3,534.12
15	000100002932	LUVUYO PETROS	VUSO	P.O. BOX 877 STUTTERHEIM STUTTERHEIM 4930	6312225370082	MRD for MLUNGISI\CUMAKALA	11,269.41	20.42	11,289.83	3,534.12
16	000100002774	MICHAEL	MGENGO	1407 MLUNGISI TOWNSHIP MLUNGISI TOWNSHIP STUTTERHEIM 4930	7004225650089	MRD for MLUNGISI\CUMAKALA	6,189.33	9.91	6,199.24	3,533.76
17	000100002519	NUYISWA JERELINAH	SELANA	1304 MLUNGISI LOC STUTTERHEIM 4930	3810160257084	MRD for MLUNGISI\CUMAKALA	4,598.87	32.66	4,631.53	3,534.12
18	000100002508	NOTHUBENI PRISCILLA	FIBI	1294 MLUNGISI LOC STUTTERHEIM 4930	4009180333087	MRD for MLUNGISI\CUMAKALA	3,204.12	20.35	3,224.47	3,534.12
19	000100002413	JOSEPH	KUTU	P.O. BOX 59 STUTTERHEIM STUTTERHEIM 4930	5806135425085	MRD for MLUNGISI\CUMAKALA	0.00	0.00	0.00	3,533.76
20	000100002284	SINDISWA HAZEL	SULANI	1185 MLUNGISI LOC STUTTERHEIM 4930	6207270500080	MRD for MLUNGISI\CUMAKALA	7,561.19	6.59	7,567.78	3,533.76
21	000100002277	NOYOSÉ CATHERINE	NDODO	1184 MLUNGISI LOC STUTTERHEIM 4930	4006110334086	MRD for MLUNGISI\CUMAKALA	2,863.51	12.03	2,875.54	3,533.76
22	000100002271	SAMFUMFU	MANYISANA	P O BOX 675 STUTTERHEIM 4930	5612275472089	MRD for MLUNGISI\CUMAKALA	1,407.29	5.05	1,412.34	3,533.76
23	000100002068	PETER MXOLISI	KETANI	1117 MLUNGISI TOWNSHIP MLUNGISI TOWNSHIP STUTTERHEIM 4930	6006175825083	MRD for MLUNGISI\CUMAKALA	9,632.52	71.35	9,703.87	3,534.12
24	000100001853	TEMBLE	MAMKELI	1049 MLUNGISI LOC STUTTERHEIM 4930	6508275397087	MRD for MLUNGISI\CUMAKALA	0.00	0.00	0.00	3,533.76
25	000100001801	NOMALADY	TSOKWANA	P.O. BOX 175 STUTTERHEIM 4930	5306240483087	MRD for MLUNGISI\CUMAKALA	0.00	0.00	0.00	3,533.76
26	000100001693	NEMENTSE VICTORIA	SENDE	1000 MLUNGISI LOC STUTTERHEIM 4930	5006060991082	MRD for MLUNGISI\CUMAKALA	1,441.15	6.32	1,447.47	3,533.76
27	000100001679	TOZI ELSIE	NJARA	993 MLUNGISI LOC STUTTERHEIM 4930	4302100244082	MRD for MLUNGISI\CUMAKALA	0.00	0.00	0.00	3,533.76
28	000100001649	NOMALUNGLO	RANI	P.O. BOX 26 STUTTERHEIM 4930	5911140246086	MRD for MLUNGISI\CUMAKALA	0.00	0.00	0.00	3,533.76
29	000100001490	MAFUMANE	MAMANE	PO BOX 59 STUTTERHEIM 4930	5212155382084	MRD for MLUNGISI\CUMAKALA	469.50	0.00	469.50	3,534.12
30	000100001422	SITYUMANI	VIKA	888 MLUNGISI TOWNSHIP STUTTERHEIM 4930	4205125260084	MRD for MLUNGISI\CUMAKALA	3,204.84	20.35	3,225.19	3,534.12
31	000100001317	NOKWAYIYO EUNICE	PETI	843 MLUNGISI LOC STUTTERHEIM 4930	4107150193083	MRD for MLUNGISI\CUMAKALA	3,209.19	20.39	3,229.58	3,534.12
Sub-	total						153,934.14	709.66	154,643.80	109,550.52
RAYMOND MHLABA										
NO.	Account Number	Name	Surname	Address	ID Number	Area	Total Bal w/o Interest	Total Interest Amount	Total Outstanding Bal	Subsidy per Annum
32	000100381532	BUKELWA	NGCUNGCWANA	72 BLACKMAN STREET BEDFORD 5780	4306120584088	MRD for BEDFORD	807.31	2.20	809.51	2,508.48
33	000100381511	BONGANI	LABI	819 PHOLA PARK BEDFORD 5780	6903035647089	MRD for NYARHA	957.31	2.20	959.51	2,508.48
34	000100381509	LUNGISWA LEANETTE	PHAPHAMA	833 PHOLA PARK BEDFORD 5780	8001040753089	MRD for NYARHA	957.31	2.20	959.51	3,533.76
35	000100226242	LINDA BARBARA	GRAHAM	41 THOMPSON STREET ADELAIDE 5760	5601280128083	MRD for ADELAIDE	562.84	2.01	564.85	3,533.76
36	000100223943	NONAGETI LILY	QOKOLWANE	88 MANDELA PARK BEDFORD 5780	3005090153087	MRD for NYARHA	0.00	0.00	0.00	3,533.76
37	000100150369	SITHANDA JAMES	MBOYIYA	1715 JOJA STREET LINGELETHU ADELAIDE 5760	2010195151086	MRD for LINGELETHU	17,557.32	21.47	17,578.79	3,533.76
38	000100148718	ZANYIWE FRIEDA	KWETA	T14 MPUPHU STREET KHAYELITSHA LOCATION BEDFORD 5780	3201065209083	MRD for NYARHA	5,989.51	2.84	5,992.35	3,533.76
39	000100148715	LILLIAN NOBANDLA	GONGXA	T11 KHAYELITSHA LOC BEDFORD 5780	4212295516089	MRD for NYARHA	11,544.37	14.68	11,559.05	3,533.76
40	000100148654	KOSI GLADYS	GAYIZA	T104 MPUPHU ST KHAYELITSHA LOC BEDFORD 5780	4001060325085	MRD for NYARHA	1,440.91	0.96	1,441.87	3,533.76
41	000100148652	NTOMBAZANA ROSE	MLOMO	T102 MPUPHU ST KHAYELITSHA LOC BEDFORD 5780	4601190495086	MRD for NYARHA	6,542.74	28.32	6,571.06	3,533.76
42	000100148407	NOMNTU WINIFRED	BOKOYI	P.O.BOX 82 BEDFORD 5780	2901013434086	MRD for NYARHA	103,084.41	7.91	103,092.32	3,533.76
43	000100147750	PHUMLA	NDLELA	783 PHOLA PARK BEDFORD 5780	7003300502082	MRD for NYARHA	0.00	0.00	0.00	3,533.76
44	000100147729	JOHN	GORDON	33 FITCHET ST GOODWIN PARK BEDFORD 5780	4605245088085	MRD for BEDFORD	0.00	0.00	0.00	3,533.76
45	000100146108	FIKILE JOSEPH	MARANGULA	A77 NDLOVINI LOCATION BEDFORD 5780	4201155546088	MRD for NYARHA	6,359.24	38.38	6,397.62	3,533.76
46	000100145526	HERMANUS & GLADYS	BLANCHE	WILLEM DANIELSTRAAT 17 BEZUIDENHOUTVILLE ADELAIDE 5760	3604210073082	MRD for ADELAIDE	13,307.71	56.42	13,364.13	3,533.76
47	000100144444	PHILDA	KOESNELL	1440 NEW AREA ADELAIDE 5760	7060606222087	MRD for ADELAIDE	2,684.85	7.73	2,692.58	3,533.76
Sub-	total						171,795.83	187.32	171,983.15	54,489.60

GREAT KEI							Total Bal w/o Interest	Total Interest Amount	Total Outstanding Bal	Subsidy per Annum
NO.	Account Number	Name	Surname	Address	ID Number	Area				
48	000100218681	PUTSWANA & TOMBIZANELE PATRIK	GREEN & MFEKETO	P O BOX 338 CINTSA EAST EAST LONDON 5275	5903045958089	MRD for CINTSA	0.00	0.00	0.00	3,760.68
49	000100038677	VUYISILE CLAY & BUKELWA	PAULE	596 MZOMHLE EXT. KOMGA 4950	5602195675085	MRD for KOMGA	0.00	0.00	0.00	1,799.28
Sub - total							0.00	0.00	0.00	5,559.96
MNQUMA							Total Bal w/o Interest	Total Interest Amount	Total Outstanding Bal	Subsidy per Annum
NO.	Account Number	Name	Surname	Address	ID Number	Area				
50	000100326973	NOYEZA	LINGIWE	9042 EXTENSION 14 B BUTTERWORTH 4960	6404031083080	MRD for BUTTERWORTH	7,868.97	62.97	7,931.94	3,533.76
51	000100229492	MELIKHAYA ALFRED	NOMPULA	P O BOX 935 BUTTERWORTH 4960	6304235984085	MRD for BUTTERWORTH	30,740.73	66.14	30,806.87	4,786.32
52	000100228596	SOBUBELE	MQELE	9043 EXTENSION 14 B BUTTERWORTH 4960	4705155279086	MRD for BUTTERWORTH	3,398.75	30.59	3,429.34	3,760.68
53	000100161780	NONTUTHUZELO NOFUNDILE	MYENDEKI	B610 CUBA LOC BUTTERWORTH 4960	4611260210083	MRD for BUTTERWORTH	270.08	0.00	270.08	3,533.76
54	000100160993	GLADYS ZANELE	QJANA	696 IBEKA LOC EXT 14 BUTTERWORTH 4960	5407280866080	MRD for BUTTERWORTH	0.00	0.00	0.00	3,760.68
55	000100160605	VALENCIA NOBAMBO VINCENT NOB	LWANA	293 IBIKA LOCATION EXT 14 BUTTERWORTH 4960	4411230488087	MRD for BUTTERWORTH	394.87	0.46	395.33	3,760.68
56	000100160467	LUNGISWA MPONDOKAZI	MQIKELA	145 IBEKA LOC BUTTERWORTH 4960	5308040155089	MRD for BUTTERWORTH	5,002.56	8.67	5,011.23	3,760.68
57	000100160457	ZINGIWE SELLINAH	MGIWU	133 IBEKA LOC BUTTERWORTH 4960	5512290192086	MRD for BUTTERWORTH	3,432.56	2.76	3,435.32	3,760.68
58	000100159915	GUNHILDA NOMALEDI	MLONZI	2665 MSOBOMVU TOWNSHIP EXT 12 BUTTERWORTH 4960	5808270933089	MRD for BUTTERWORTH	426.15	0.25	426.40	3,760.68
59	000100159653	NOMAPHUMZILE	NONKWELO	2387 CUBA TOWNSHIP BUTTERWORTH 4960	5309180851081	MRD for BUTTERWORTH	2,876.79	0.73	2,877.52	3,760.68
60	000100159233	NKULULEKO	MDUNYELWA	2220 CUBA LOC BUTTERWORTH 4960	5101085186089	MRD for BUTTERWORTH	470.92	0.00	470.92	3,760.68
61	000100159025	SNOVUYO	NGUBO	1753 MSOBOMVU LOC B'WORTH 4960	7009036018087	MRD for BUTTERWORTH	14,777.25	64.14	14,841.39	3,760.68
62	000100158302	MAKI	SILEVU	1547 MSOBOMVU T/SHIP EXT 10 BUTTERWORTH 4960	4906205153087	MRD for BUTTERWORTH	23,342.08	119.61	23,461.69	3,760.68
63	000100157909	BUYISWA FLORA	JIKUMLAMBO	373 MSOBOMVU TOWNSHIP BUTTERWORTH 4960	4412200551086	MRD for BUTTERWORTH	4,422.56	14.92	4,437.48	3,760.68
64	000100157782	NOMONDE THERESSA	SONKOSI	335 MSOBOMVU LOC BUTTERWORTH 4960	5310180132084	MRD for BUTTERWORTH	28,180.91	135.81	28,316.72	3,533.76
65	000100157160	SIGIDI ARCHIBALD	MNENGELA	92 MSOBOMVU TOWNSHIP BUTTERWORTH 4960	5509125210083	MRD for BUTTERWORTH	7,754.70	5.11	7,759.81	3,760.68
Sub - total							133,359.88	512.16	133,872.04	60,515.76
MBHASHE							Total Bal w/o Interest	Total Interest Amount	Total Outstanding Bal	Subsidy per Annum
NO.	Account Number	Name	Surname	Address	ID Number	Area				
66	000100204501	NONEZILE MINAH	DYAKALASKE	1266 GOVAN MBEKI T/SHIP DUTYWA 5000	4806061158081	MRD for IDUTYWA	0.00	0.00	0.00	3,760.68
67	000100202630	MAKHAKHA EDWARD	NANGU	P O BOX 770 WILLOWVALE 5040	3702105394082	MRD for WILLOWVALE	0.00	0.00	0.00	1,723.68
68	000100153169	KOLEKA	MANGALISO	P O BOX 334 WILLOWVALE 5040	5907070326088	MRD for WILLOWVALE	0.00	0.00	0.00	1,723.68
69	000100152914	WILBERFORCE	TSHIKI	ERF 117 WILLOWVALE 5040	2705095067080	MRD for WILLOWVALE	0.00	0.00	0.00	1,723.68
Sub- total							0.00	0.00	0.00	8,931.72
TOTAL							459,089.85	1,409.14	460,498.99	239,047.56

ANNEXURE A: REQUEST FOR INDIGENT SUBSIDY APPROVAL AND BAD DEBT WRITE - OFFS
FOR APPROVED INDIGENTS-DEBT OWED AS AT 30 NOVEMBER 2017

NGQUSHWA

NO.	Account No.	Name	Surname	Address	ID Number	Area	Total Bal w/o Interest Amount	Total Interest Amount	Total Outstanding Bal	Subsidy per Annum
1	100037433	MLUNGISI STANLEY	MANKULE	123 RD AVENUE	6907040752081	MRD for HAMBURG	23,145.67	79.41	23,225.08	2,735.40
2	100213643	KHOLEKA LENA	MFIHLO	12653 PEDDIE EXTENSION	6403110363082	MRD for PEDDIE	0.00	0.00	0.00	3,760.68
3	100215981	FUNEKA	MZILWA	3480 NEW CREATION	7006170787089	MRD for PEDDIE	8,144.86	30.14	8,175.00	3,760.68
4	100037316	JAPAN JOEL	NXADI	27 HAMBURG LOC	5302020148081	MRD for PEDDIE	9,507.27	4.34	9,511.61	1,572.36
5	100036329	NOLUDUMO	BEJA	774 HAMBURG LOC	5309245406087	MRD for PEDDIE	175.23	0.00	175.23	1,723.68
6	100216865	NOLITHA PRUDENCE	CEKISO	12668 ETHEMBENI LOC	5804160276085	MRD for PEDDIE	5,582.56	18.42	5,600.98	3,760.68
7	100036544	NOPHUMILE	GXAMZA	20 HAMBURG	6904166166089	MRD for PEDDIE	880.81	0.10	880.91	1,572.36
8	100218028	LULAMA MAVIS	HANISE	3237 PEDDIE EXT	6712280648084	MRD for PEDDIE	3,031.98	6.55	3,038.53	3,760.68
9	100217164	MFUNEKO TREVOR	JACA	3278 ETHEMBENI LOC	7207290818081	MRD for PEDDIE	7,030.03	21.18	7,051.21	3,760.68
10	100037157	GXEKIWE	JOBINGANI	121 HAMBURG LOC	7011275615086	MRD for PEDDIE	261.36	0.00	261.36	1,723.68
11	100223602	NOMATHAMSANQA FLORENCE	JONGWANA	12467 ETHEMBENI LOC	7201310581084	MRD for PEDDIE	1,103.99	0.26	1,104.25	2,735.40
12	100217324	NONTSEBENZO RONICA	KOLI	3266 ETHEMBENI LOC	4908160181087	MRD for PEDDIE	1,791.99	0.00	1,791.99	3,760.68
13	100037356	NOMTANTSI SUSIE	KOLOZA	112A HAMBURG LOC	6308041036089	MRD for PEDDIE	1,577.20	3.06	1,580.26	1,572.36
14	100235127	NTOMBIZIFILE	KONDLEKA	68 HAMBURG LOC	6408056000085	MRD for HAMBURG	91.84	0.00	91.84	1,572.36
15	100205819	NOTOBILE VIOLET	LANGMAN	12441 ETHEMBENI LOC	5302255714086	MRD for HAMBURG	9,726.38	32.39	9,758.77	3,760.68
16	100036974	JULIA BULELWA	LAWU	8 HAMBURG LOC	4305230209081	MRD for PEDDIE	1,563.13	2.10	1,565.23	1,723.68
17	100036705	SIZIWE MAVIS	MAKUBALO	82B Hamburg	8003205790088	MRD for PEDDIE	183.47	0.20	183.67	1,572.36
18	100036731	NOTOTO WATCHSON	MANELI	108 HAMBURG LOC	4001230219085	MRD for PEDDIE	0.00	0.00	0.00	1,723.68
19	100036730	GEORGE	MANGWANA	66b Hamburg	3506025343081	MRD for HAMBURG	5,872.90	6.25	5,879.15	1,572.36
20	100208796	MVALELI WILLIAM	MAPHIKELA	24 HAMBURG	5310205675083	MRD for PEDDIE	17,486.08	1.10	17,487.18	1,723.68
21	100036752	MSONDELI ROBERT	MAPUMA	786 HAMBURG LOC	2302020320089	MRD for HAMBURG	0.00	0.00	0.00	1,723.68
22	100217352	NOMLINDO VICTORIA	MELANI	3156 ETHEMBENI	4711010608089	MRD for HAMBURG	9,980.35	0.00	9,980.35	3,760.68
23	100206068	SIVUYILE	MENZENI	12 SECOND AVENUE ARMADALE	4711255304089	MRD for HAMBURG	7,330.53	20.18	7,350.71	3,760.68
24	100208799	MBUKELI GLADMAN	MVAPHANTSI	48 HAMBURG LOC	8907250551080	MRD for HAMBURG	1,325.20	5.32	1,330.52	1,572.36
25	100036922	MLULEKI	MVAPHANTSI	781 HAMBURG LOC	6409230917087	MRD for HAMBURG	140.78	0.00	140.78	1,723.68
26	100036962	NOVUSILE MARGARET	NDLONDLO	49 HAMBURG LOC	4205070422085	MRD for HAMBURG	2,006.46	5.22	2,011.68	1,572.36
27	100037244	NOLUTHANDO	NGQULA	778 HAMBURG LOC	5205220417083	MRD for HAMBURG	206.64	0.00	206.64	1,723.68
28	100037271	NCEBAKAZI	NKANI	84 HAMBURG LOC	4405060540082	MRD for HAMBURG	1,950.56	5.77	1,956.33	1,572.36
29	100042077	JACK	NOMPUNGA	112C HAMBURG LOC	6208156021084	MRD for HAMBURG	0.00	0.00	0.00	1,572.36
30	100206257	NOMAINDIA IRENE	NONYUKELA	12339 ETHEMBENI LOC	5906195653087	MRD for HAMBURG	6,903.18	25.74	6,928.92	3,760.68
31	100233698	NOXOLO	NQINANA	17 VICKERS PLACE VIRGINIA	5010115555082	MRD for HAMBURG	1,642.75	5.62	1,648.37	774.00
32	100037355	LINDEKA MILDRED	PALISO	107 HAMBURG LOC	5309155233083	MRD for HAMBURG	111.00	0.12	111.12	1,723.68
33	100036699	ZUKISWA VERONICA	PALISO	148 HAMBURG LOC	4206300432084	MRD for HAMBURG	209.69	0.00	209.69	1,723.68
34	100218271	MZUVUKILE	SIMANGA	3241 ETHEMBENI LOC	6507270862087	MRD for HAMBURG	3,068.87	0.00	3,068.87	3,760.68
35	100217795	MZOXOLO	VIMBAYO	3234 NEW CREATION	4510110169087	MRD for HAMBURG	7,614.41	2.54	7,616.95	3,760.68
36	100233737	NOMBUYISELO LILLIAN	ZITSHU	11443 NEWREST LOC	6608270283082	MRD for HAMBURG	1,642.75	5.62	1,648.37	774.00
TOTAL							141,289.92	281.63	141,571.55	85,107.36

MBHASHE

NO.	Account Number	Name	Surname	Address	ID Number	Area	Total Bal w/o Interest Amount	Total Interest Amount	Total Outstanding Bal	Subsidy per Annum
37	100209605	PHYLLIS NOMPUCUKO	MPULWANA	189 DUTYWA	3906020434085	MRD for IDUTYWA	0.00	0.00	0.00	3,533.76
38	100205012	NOBANZI PHUMLA	KHANTIWE	1269 DUTYWA	5412090818081	MRD for IDUTYWA	0.00	0.00	0.00	3,760.68
39	100152938	THELEZI	MANQOLA	119 WILLOWVALE	4807285442087	MRD for WILLOWVALE	0.00	0.00	0.00	1,723.68

TOTAL							0.00	0.00	0.00	9,018.12
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RAYMOND MHLABA(NKONKOBÉ)

NO.	Account Number	Name	Surname	Address	ID Number	Area	Total Bal w/o Interest Amount	Total Interest Amount	Total Outstanding Bal	Subsidy per Annum
40	100326029	ATHENKOSI JONGISIZWE	MAZWI	16 BARKLEY STREET	8705175271085	MRD for FORT BEAUFORT	17,650.79	23.50	17,674.29	3,533.76
41	100031172	ZUZILE	DAYIMANI	223 KANANA ST	4509065422087	MRD for KWATINIDUBU	7,655.04	36.27	7,691.31	3,534.12
42	100027898	HAZEL MAUD	DICK	9 STATICE ST	4112100129088	MRD for FORT BEAUFORT	27,263.15	22.05	27,285.20	3,533.76
43	100022580	MCIMBI S & NONTUTHUZELO S	WAKASHE	2516 NAZO STREET TINIS	2001016136083	MRD for KWATINIDUBU	0.00	0.00	0.00	3,533.76
44	100020301	DAVID LUNGILE	WAKASHE	142 TEBE STREET	4709285541084	MRD for KWATINIDUBU	734.45	4.11	738.56	3,534.12
45	100034453	MANDISA VICTORIA	ZONKE	2586 GOLF COURSE	5811300934085	MRD for ALICE	0.00	0.00	0.00	3,533.76
46	100021035	NOMBULELO	BAMBISO	882 PONONO STREET	5811201080087	MRD for KWATINIDUBU	8,231.50	36.45	8,267.95	3,533.76
47	100025566	MONGEZI	BLAYI	1990 GRAPO LOCATION	5403115159080	MRD for SEYMOUR	0.00	0.00	0.00	1,572.36
48	100032672	DENISE	CRAMFORD	4528 NEW HOUSING	7511180289083	MRD for FORT BEAUFORT	712.48	0.00	712.48	3,534.12
49	100025543	THOBEKA PATRICIA	DAKUSE	1967 PHAKAMISA LOC	6311020571084	MRD for SEYMOUR	11,432.19	29.68	11,461.87	3,533.76
50	100025305	LULAMA PATRICIA	DYANTYI	1212 SEYMOUR STREET	6610120769088	MRD for SEYMOUR	0.00	0.00	0.00	3,533.76
51	100031589	PUMELELO JOHN	FATHER	2455 NAZO STREET MIKE VALLY	3907185100081	MRD for KWATINIDUBU	11,382.90	41.82	11,424.72	3,533.76
52	100022558	NOLUTHANDO PATRICIA	FONGQO	2494 NAZO ST	6912190562082	MRD for KWATINIDUBU	2,480.53	4.09	2,484.62	3,534.12
53	100034428	NOZIPHO MELROSE	GODUKA	2519 GOLF COURSE	4905250735087	MRD for ALICE	490.12	1.08	491.20	1,025.28
54	100022561	SIMON	GQEBE	2497 NAZO ST MIKE VALLEY	4204065578084	MRD for KWATINIDUBU	0.00	0.00	0.00	3,534.12
55	100025332	NOLUTHANDO THEODORAH	GQOMFA	1239 SEYMOUR STREET	7403140921080	MRD for SEYMOUR	9,587.34	35.32	9,622.66	3,533.76
56	100034716	PHUMZILE	HELA	4729 GOLF COURSE	5004055740085	MRD for ALICE	14,951.91	40.63	14,992.54	3,533.76
57	100229437	ANDILE VICTOR	JACKSON	4611 KWANTIDUBU	6909175786082	MRD for KWATINIDUBU	5,726.23	25.74	5,751.97	2,508.48
58	100034847	NTOMBOMZI GLADYS	JAMES	4866 GOLF COURSE	5610220894084	MRD for ALICE	57,773.65	67.04	57,840.69	3,533.76
59	100027893	ANDRIES & MARTHA GIESA	JANTJIES	19 STATICE STREET	4710285151015	MRD for FORT BEAUFORT	832.69	0.38	833.07	3,533.76
60	100025534	JKICWA REGINA	MANZI	1958 PHAKAMISA LOC	3711010322088	MRD for SEYMOUR	2,018.49	1.64	2,020.13	3,533.76
61	100025518	MTUTUZELI WELLINGTON	MEMANI	1940 SEYMOUR STREET	5409115686089	MRD for SEYMOUR	2,288.51	11.26	2,299.77	3,533.76
62	100021866	NANTSUNTSU AGNES	MFECANE	1714 CILLIERS STREET	5608090763082	MRD for KWATINIDUBU	2,318.69	5.22	2,323.91	3,534.12
63	100034838	NOKWAKHA MILDRED	MPULU	4857 GOLF COURSE	4204220174084	MRD for ALICE	14,094.94	36.82	14,131.76	3,533.76
64	100034807	NOMBULELO MAVIS	MSIZI	4825 ALICE GOLF COURSE	5811150980089	MRD for ALICE	37,361.18	36.64	37,397.82	3,533.76
65	100025285	LUCY	MTONONO	1191 JOE SLOVO LOCATION	6603240810080	MRD for SEYMOUR	6,484.16	24.72	6,508.88	3,533.76
66	100034441	PATRICIA NOMTANDAZO	MTSHEMLA	2574 GOLF COURSE	7102160680085	MRD for ALICE	4,870.34	21.36	4,891.70	3,533.76
67	100025487	NOMBUYISELO	NGQUSE	1906 SEYMOUR STREET	5005080791084	MRD for SEYMOUR	12,029.46	22.59	12,052.05	3,533.76
68	100025541	MADODA	NGWENA	1965 PHAKAMISA LOC	6811286216084	MRD for SEYMOUR	0.00	0.00	0.00	3,533.76
69	100020841	LUNGILE BENJAMIN	NJOBE	686 MBEWU STREET	5805235841084	MRD for KWATINIDUBU	2,040.46	4.85	2,045.31	3,533.76
70	100034444	NOKAZIWA	NKALITSHANA	2577 GOLF COURSE	5509170787084	MRD for ALICE	0.00	0.00	0.00	3,533.76
71	100025317	KHULILE	NKONZO	1224 SEYMOUR STREET	7407035886084	MRD for SEYMOUR	6,139.57	38.62	6,178.19	3,533.76
72	100031504	MCIMBI ABENAR	NTAKA	2033 MATYILA STREET	4709155540083	MRD for KWATINIDUBU	2,430.62	4.47	2,435.09	3,534.12
73	100020292	NOMBUYISELO MILDRED	NTONI	133 TEBE ST	4203290315080	MRD for KWATINIDUBU	719.08	1.83	720.91	3,534.12
74	100034336	FEZEKA ETHEL	PITA	1332 HAPPY REST	3501010685083	MRD for ALICE	7,835.83	24.51	7,860.34	3,533.76
75	100219704	SIDWELL VUYANI	PUNANA	4531 DAWETI STREET	7604165681083	MRD for KWATINIDUBU	7,655.04	36.27	7,691.31	3,534.12
76	100026331	NOMAMASE ANGELINA	RETSHA	2956 DAWETI ST	4812250712084	MRD for KWATINIDUBU	2,905.86	4.40	2,910.26	3,534.12
77	100031159	PHUMZILE MESCHACK	ROOILAND	197 ZOYA STREET	5412085373084	MRD for KWATINIDUBU	11.17	1.83	13.00	3,534.12
78	100032630	EDWARD DOUGLAS	SAMUELS	4483 NEW HOUSING	6404145080089	MRD for FORT BEAUFORT	6,202.67	25.74	6,228.41	3,533.76
79	100024990	NGESIMAN JACKSON	SOCI	801 OLD LOC	6008125793080	MRD for SEYMOUR	85,462.51	19.90	85,482.41	3,533.76
80	100227416	NOMONDE PATIENCE	STOFIE	3295 GOLF COURSE	6106020323084	MRD for ALICE	5,916.83	36.28	5,953.11	3,533.76
81	100020262	NOWEZILE MIRRIAM	STOFIE	102 BAARTMAN ST	4207120235087	MRD for KWATINIDUBU	21.42	4.11	25.53	3,534.12
82	100227249	BONISWA THEONA	TEMBANI	2968 GOLF COURSE	5906161138089	MRD for ALICE	9,301.32	44.86	9,346.18	3,534.12
83	100034448	VUYELWA EUNICE	THOMOSE	2581 GOLF COURSE	5810220982083	MRD for ALICE	4,048.86	2.62	4,051.48	3,533.76
84	100026285	NOMZI	TOKO	2896 DAWETI ST	4406060503088	MRD for KWATINIDUBU	2,885.32	4.30	2,889.62	3,534.12
85	100034361	NOMABHUNGA ELBIGINAH	TSHONA	2310 GOLF COURSE	4305180382086	MRD for ALICE	27,166.73	94.58	27,261.31	3,533.76

86	100030482	SONIA DAWN	WARD	13 SOMERSET STREET	7006050196088	MRD for FORT BEAUFORT	10,991.99	17.38	11,009.37	3,533.76
87	100025421	THOBEKA EUNICE	YEKO	1832 PHAKAMISA LOC	5811030531086	MRD for SEYMOUR	5,525.93	5.45	5,531.38	3,533.76
TOTAL							445,631.95	900.41	446,532.36	164,130.36

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NO.	Account Number	Name	Surname	Address	ID Number	Area	Total Bal w/o Interest Amount	Total Interest Amount	Total Outstanding Bal	Subsidy per Annum
88	000100230504	THEMBISA	BHIJA	8981 MSOBOMVU LOC	6709200907087	MRD for BUTTERWORTH	1,501.82	4.75	1,506.57	3,760.68
89	000100230264	GLADYS	MAKALIMA	359 MSOBOMVU LOC	4206061105085	MRD for BUTTERWORTH	17,148.42	83.66	17,232.08	3,760.68
90	000100229371	PHUMLA	SOTOMELA	8995 MSOBOMVU LOC	6311220201086	MRD for BUTTERWORTH	2,498.78	14.95	2,513.73	2,735.40
91	000100228565	LATHIWE GETRUDE	MBAMBALALA	9090 VEZINYAWO	4505050227085	MRD for BUTTERWORTH	1,905.92	16.52	1,922.44	3,760.68
92	000100228453	NOMILILE	MZAMO	9192 MSOBOMVU LOC	3908270025084	MRD for BUTTERWORTH	0.00	0.00	0.00	3,533.76
93	000100219270	PUMLA FELICIA	DIKOBÉ	355 MSOBOMVU LOC	3907210089085	MRD for BUTTERWORTH	8,927.61	41.14	8,968.75	3,760.68
94	000100210916	MAFUNGWASHE MIRRIAM	LOKO	2233 CUBA TOWN SHIP	5703031466083	MRD for BUTTERWORTH	5,671.11	18.42	5,689.53	3,533.76
95	000100206911	NTOMBENKOSI MARGARET	SOMHLAHLA	78 IBIKA LOC	5001090793087	MRD for BUTTERWORTH	1,155.82	3.59	1,159.41	3,533.76
96	000100161799	LISEBO VERONICA	MSHWESHWÉ	630 MSOBOMVU LOC	4812030712081	MRD for BUTTERWORTH	29,871.72	132.87	30,004.59	2,508.48
97	000100160885	NOMABISINIA VIRGINIA	MSILA	595 IBIKA LOC	5001040389085	MRD for BUTTERWORTH	183.68	0.00	183.68	3,760.68
98	000100160802	NONKOLISEKO CLEARANCE	VUZA	504 IBEKA LOC	6303101320085	MRD for BUTTERWORTH	10,399.64	4.77	10,404.41	3,533.76
99	000100160605	VALENCIA NOBAMBO	LWANA	293 IBIKA LOC	4411230488087	MRD for BUTTERWORTH	722.28	0.46	722.74	3,760.68
100	000100159881	CYLDA NONCEBA	NGAMNTWINI	2759 MSOBOMVU LOC	5402021272086	MRD for BUTTERWORTH	1,987.20	2.92	1,990.12	3,760.68
101	000100159756	NOTULETU ELIZABETH NOSAYINILE	NJENJE	2443 MSOBOMVU LOC	3912060101089	MRD for BUTTERWORTH	9,636.25	28.10	9,664.35	3,760.68
102	000100159139	VUYOKAZI JOICE	SIHELE	1899 MSOBOMVU LOC	5212150139083	MRD for BUTTERWORTH	1,972.51	3.52	1,976.03	3,760.68
103	000100158908	MONICA MAGQUBUSHA	NOKOTSOYI	1679 MSOBOMVU LOC	4811080702083	MRD for BUTTERWORTH	5,841.99	15.69	5,857.68	3,760.68
104	000100158830	NOMATHEMBA	MGULI	1608 MSOBOMVU LOC	2606060721083	MRD for BUTTERWORTH	9,726.57	21.35	9,747.92	3,760.68
105	000100158315	NOMATSHAYINA ESTHER	SODINDA	449 MSOBOMVU LOC	4602070585087	MRD for BUTTERWORTH	27,200.52	119.22	27,319.74	3,760.68
106	000100158277	JANET NONGEZILE	MAZITSHANA	1502 MSOBOMVU LOC	5202110144083	MRD for BUTTERWORTH	13,211.52	62.00	13,273.52	3,760.68
107	000100158269	LINDELWA	MBOLEKWA	1494 MSOBOMVU LOC	6209160297082	MRD for BUTTERWORTH	9,448.65	44.48	9,493.13	3,533.76
108	000100157998	NOLINDA LUCY	MBUNDWINI	553 MSOBOMVU LOC	4312060097081	MRD for BUTTERWORTH	10,531.02	0.00	10,531.02	3,760.68
109	000100157928	XOLISWA PETRONELLA	MQULO	391 MSOBOMVU LOC	4509190099081	MRD for BUTTERWORTH	0.00	0.00	0.00	3,533.76
110	000100157912	NKOSAZANA GLADYS	NJWEZANA	376 MSOBOMVU LOC	4102210087086	MRD for BUTTERWORTH	0.00	0.00	0.00	3,760.68
111	000100157874	NOMTHUNZI	NXUSANI	410 MSOBOMVU LOC	5904270151085	MRD for BUTTERWORTH	12,462.99	61.08	12,524.07	3,760.68
112	000100157825	ABEGAIL NOMAKORINTE	ROJI	486 MSOBOMVU LOC	4708220638088	MRD for BUTTERWORTH	0.00	0.00	0.00	3,760.68
113	000100157686	NTOMZANANA	SIYO	238 MSOBOMVU LOC	4501040579081	MRD for BUTTERWORTH	5,467.96	21.26	5,489.22	3,760.68
114	000100157582	SANDRAH THANDOKAZI_NOKWAN	MATHUMBA- GAGU	569 MSOBOMVU LOC	6412150141084	MRD for BUTTERWORTH	16,286.31	78.25	16,364.56	3,760.68
115	000100157576	MANDISA MARGARET	SONI	563 MSOBOMVU LOC	3909130221087	MRD for BUTTERWORTH	11,164.18	43.42	11,207.60	3,760.68
116	000100157419	MANDISI	NOMBAKUSE	769 MSOBOMVU LOC	4802285784083	MRD for BUTTERWORTH	12,812.95	48.57	12,861.52	3,760.68
117	000100157398	DUGARD	MFECANE	744 MSOBOMVU LOC	4306265544087	MRD for BUTTERWORTH	10,290.39	52.81	10,343.20	3,760.68
118	000100157308	LUNGISWA	MJIKELISO	654 MSOBOMVU LOC	7912060622080	MRD for BUTTERWORTH	1,586.84	0.15	1,586.99	3,760.68
119	000100157279	NONEZILE	CENGIMBO	202 MSOBOMVU LOC	3501050136088	MRD for BUTTERWORTH	7,525.60	33.28	7,558.88	3,760.68
120	000100157249	CACISWA	TYHOLWENI	174 MSOBOMVU LOC	7204121115084	MRD for BUTTERWORTH	62,719.52	285.71	63,005.23	3,760.68
121	000100157160	SIGIDI ARCHIBALD	MNENGELA	92 MSOBOMVU LOC	5509125210083	MRD for BUTTERWORTH	8,271.54	5.11	8,276.65	3,760.68
122	000100157151	NTOMBIZODWA BEAUTY	PAKISO	83 MSOBOMVU LOC	5411180872081	MRD for BUTTERWORTH	3,447.33	14.92	3,462.25	3,760.68
TOTAL							321,578.64	1,262.97	322,841.61	127,984.80

AMAHATHI

NO.	Account Number	Name	Surname	Address	ID Number	Area	Total Bal w/o Interest Amount	Total Interest Amount	Total Outstanding Bal	Subsidy per Annum
123	100353739	NOMONZIMA	GRIFFITHS	6399 KOLOGHA HOUSING	5410250868086	MRD for STUTTERHEIM	34,337.22	287.90	34,625.12	3,533.76
124	100325106	NONTUKUYE	WELISO	2246 MLUNGISI LOC	6312080511085	MRD for MLUNGISI\CUMAKA	28,622.98	31.43	28,654.41	3,533.76
125	100235368	YOLISWA	NOKAWUSANA	6767 KOLOGHA LOC	6310150566088	MRD for STUTTERHEIM	258.43	0.38	258.81	3,533.76

126	100233330	NOSIPHO HONEY	KEWUTI	2531 MLUNGISI LOC	6910100869084	MRD for MLUNGISI\CUMAKA	0.00	0.00	0.00	1,572.36
127	100231295	BULELANI	MZAYIFANI	2530 MLUNGISI LOC	8606045385081	MRD for MLUNGISI\CUMAKA	7,346.89	12.41	7,359.30	3,533.76
128	100226083	NOMHASE	VONGWE	1988 MLUNGISI LOC	4601290478081	MRD for MLUNGISI\CUMAKA	1,429.57	3.73	1,433.30	3,533.76
129	100209564	HANNAH ANNIE	STRIDE	3 PROTEA DRIVE	1703045042080	MRD for STUTTERHEIM	11,245.22	6.41	11,251.63	3,533.76
130	100206237	THANDIWE	MAKHUPHULA	6900 KOLOGHA HOUSING	5411190424089	MRD for STUTTERHEIM	0.00	0.00	0.00	3,533.76
131	100206224	SONWABO MATTHEW	BEVU	6863 KOLOGHA HOUSING	6601016567082	MRD for STUTTERHEIM	0.00	0.00	0.00	3,533.76
132	100206212	NONTIBEKO FLORENCE	GXWALA	6806 KOLOGHA LOC HOUSING	5010200835084	MRD for STUTTERHEIM	3,806.58	19.84	3,826.42	3,533.76
133	100206200	MANAGER	JKITHI	6731 KOLOGHA HOUSING	5701016051086	MRD for STUTTERHEIM	10,513.46	75.37	10,588.83	3,534.12
134	100206192	DALIKHAYA	BLAYI	6709 KOLOGHA HOUSING	7701046267080	MRD for STUTTERHEIM	0.00	0.00	0.00	3,533.76
135	100205739	NO WAIT NONTAKUMBA	LONGO	1358 MLUNGISI LOC	4401090371085	MRD for MLUNGISI\CUMAKA	8,411.14	28.27	8,439.41	3,534.12
136	100008589	PHINDILE PATRICK	MATINISE	7017 KOLOGHA HOUSING	6901105929080	MRD for STUTTERHEIM	983.56	0.48	984.04	2,508.48
137	100008574	NTOMBIKAZI	JAFTA	7002 KOLOGHA HOUSING	5806250705089	MRD for STUTTERHEIM	0.00	0.00	0.00	3,533.76
138	100008572	LUMKILE JOHANSON	NYIKISO	7000 KOLOGHA HOUSING	2803115152089	MRD for STUTTERHEIM	5,372.69	32.68	5,405.37	3,533.76
139	100008530	ZOLILE & NTOMBAZANA	HENENE	6961 KOLOGHA HOUSING	5305305371088	MRD for STUTTERHEIM	0.00	0.00	0.00	3,533.76
140	100008525	ELLIOT & LULAMA	JOYINI	6957 KOLOGHA HOUSING	6203280624085	MRD for STUTTERHEIM	0.00	0.00	0.00	3,533.76
141	100008493	TAMSANQA	BALITAFU	6928 KOLOGHA HOUSING	4006255195086	MRD for STUTTERHEIM	6,467.99	43.36	6,511.35	3,533.76
142	100008489	NOWEZIKE ANGELINA	LINGELA	6924 KOLOGHA HOUSING	4201080331085	MRD for STUTTERHEIM	4,548.79	27.14	4,575.93	3,533.76
143	100008485	VUYANI	SOMLILO	6920 KOLOGHA HOUSING	6006185863082	MRD for STUTTERHEIM	4,546.70	26.92	4,573.62	3,533.76
144	100008356	NELSI	VENA	6798 KOLOGHA HOUSING	8001011836087	MRD for STUTTERHEIM	6,254.00	38.62	6,292.62	3,533.76
145	100008337	NONTIBEKO GLORIA	MFEKETO	6779 KOLOGHA HOUSING	5912300708089	MRD for STUTTERHEIM	2,662.20	12.72	2,674.92	3,533.76
146	100008305	ROBERT	MARKS	6748 KOLOGHA HOUSING	5905145251083	MRD for STUTTERHEIM	0.00	0.00	0.00	3,533.76
147	100008303	ZONGEZILE JOHN	MAGALA	6746 KOLOGHA HOUSING	5207295740084	MRD for STUTTERHEIM	253.90	0.38	254.28	3,533.76
148	100008300	NIKIWE	MZIMBA	6743 KOLOGHA HOUSING	5406015402088	MRD for STUTTERHEIM	258.24	0.38	258.62	3,533.76
149	100008245	ZUKISWA	MAVELA	6690 KOLOGHA HOUSING	7301012963083	MRD for STUTTERHEIM	5,951.18	38.62	5,989.80	3,533.76
150	100008235	DAVID	MOLOSE	6680 KOLOGHA HOUSING	7710185387088	MRD for STUTTERHEIM	3,216.23	17.30	3,233.53	3,533.76
151	100008219	BAKUBAKU & NORETE REGINA	CUTO	6664 KOLOGHA HOUSING	4612245486087	MRD for STUTTERHEIM	274.41	0.48	274.89	3,533.76
152	100008170	SEBENZILE GIBSON	TSIBANI	6620 KOLOGHA HOUSING	7512045959084	MRD for STUTTERHEIM	4,579.84	29.66	4,609.50	3,534.12
153	100008139	NOMATHEMBA CYNTHIA	MAGOLOZA	6589 KOLOGHA HOUSING	5802180453080	MRD for STUTTERHEIM	4,970.88	33.01	5,003.89	3,534.12
154	100008119	MSIMBOTHI & NONZWAKAZI PATIE	MAJOLA	6569 KOLOGHA HOUSING	5809085757085	MRD for STUTTERHEIM	965.40	0.38	965.78	2,508.48
155	100008096	NONGAZIYEKI NOTHEMBILE ESTHE	DOTWANA	6547 KOLOGHA HOUSING	5910070723080	MRD for STUTTERHEIM	10,126.61	72.25	10,198.86	3,534.12
156	100008053	FUNANI JACKSON	NGOYI	6505 KOLOGHA HOUSING	5104085521081	MRD for STUTTERHEIM	0.00	0.00	0.00	3,534.12
157	100008014	MARIA	SELANI	6469 KOLOGHA HOUSING	7501100498088	MRD for STUTTERHEIM	0.00	0.00	0.00	3,534.12
158	100008005	NOMVUYO	SITEBISA	6462 KOLOGHA HOUSING	7512200474085	MRD for STUTTERHEIM	0.00	0.00	0.00	3,534.12
159	100007996	ZOLA	KLAAS	6453 KOLOGHA HOUSING	6201036317087	MRD for STUTTERHEIM	0.00	0.00	0.00	3,534.12
160	100007981	MZWANDILE	BLAYI	6438 KOLOGHA HOUSING	7112225669080	MRD for STUTTERHEIM	6,954.14	49.24	7,003.38	3,534.12
161	100007975	ZOLA STANFORD	NQINI	6432 KOLOGHA HOUSING	6510145454080	MRD for STUTTERHEIM	0.00	0.00	0.00	3,534.12
162	100007925	KHUNJUZWA	MLAHLEKI	6386 KOLOGHA HOUSING	6703070308088	MRD for STUTTERHEIM	3,880.24	23.42	3,903.66	3,534.12
163	100006454	JUANITE	RAYNER	16 DAHLIA ST	4702175085080	MRD for STUTTERHEIM	0.00	0.00	0.00	3,533.76
164	100006447	RANEY MICHAEL	LANGLEY	41 ZONNEBLOM ST	5802165024088	MRD for STUTTERHEIM	0.00	0.00	0.00	3,533.76
165	100006445	JOSEPH	FOURIE	39 ZONNEBLOM ST	6705275480083	MRD for STUTTERHEIM	26.67	0.20	26.87	3,533.76
166	100006397	JACKELINE	JACOBS	9 ZONNEBLOM ST	7303180129083	MRD for STUTTERHEIM	274.13	1.75	275.88	3,533.76
167	100006303	NTOMBENI EUNICE	KHUBELA	2752 MLUNGISI LOC	4106060224087	MRD for MLUNGISI\CUMAKA	18,735.13	29.82	18,764.95	3,533.76
168	100006192	NOMANTOMBI NOMIMI	KLAAS	2661 MLUNGISI LOC	6602040437086	MRD for MLUNGISI\CUMAKA	2,685.25	14.75	2,700.00	3,533.76
169	100006178	KATAZWA	LAYIVA	2647 MLUNGISI LOC	5701040243089	MRD for MLUNGISI\CUMAKA	11,988.83	24.76	12,013.59	3,533.76
170	100006142	VUYISWA	TONISI	2616 MLUNGISI LOC	5307010703084	MRD for MLUNGISI\CUMAKA	6,577.58	29.58	6,607.16	3,533.76
171	100006084	NONYAMEKO	PLAATJIE	2573 MLUNGISI LOC	6603180280088	MRD for MLUNGISI\CUMAKA	5,707.06	32.98	5,740.04	3,533.76
172	100005990	NONGOKU	BOYISI	2506 MLUNGISI LOC	6206061132087	MRD for MLUNGISI\CUMAKA	0.00	0.00	0.00	3,533.76
173	100005955	NOTHENI	NKOHLAKALO	2481 MLUNGISI LOC	5004050304085	MRD for MLUNGISI\CUMAKA	6,735.51	48.02	6,783.53	3,533.76
174	100005924	KOMTI JIMMY	NANI	2468 MLUNGISI LOC	5009205441088	MRD for MLUNGISI\CUMAKA	757.26	8.55	765.81	3,533.76
175	100005917	NOMABONGO	MADIKANE	2464 MLUNGISI LOC	6503230444082	MRD for MLUNGISI\CUMAKA	9,264.93	21.50	9,286.43	3,533.76
176	100005608	ZIBONELE MONKEY	MAKAWULA	2352 MLUNGISI LOC	7103155440089	MRD for MLUNGISI\CUMAKA	0.00	0.00	0.00	3,533.76
177	100005556	NEZISWA GRACE	BUNTSHU	2317 MLUNGISI LOC	6606110553086	MRD for MLUNGISI\CUMAKA	0.00	0.00	0.00	3,533.76
178	100005529	NOBESUTU	TEMBANI	2307 MLUNGISI LOC	5805050824082	MRD for MLUNGISI\CUMAKA	4,248.47	23.04	4,271.51	3,533.76

179	100005369	NTOMBEKAYA JOYCE	HLEKANI	2242 MLUNGISI LOC	6110015812085	MRD for MLUNGISI\CUMAKA	1,352.68	1.02	1,353.70	3,533.76
180	100005355	LUNGILE	NDINISA	2238 MLUNGISI LOC	4203075441085	MRD for MLUNGISI\CUMAKA	0.00	0.00	0.00	3,533.76
181	100005199	NONTEMBI	MNTIKI	2174 MLUNGISI LOC	3710280206088	MRD for MLUNGISI\CUMAKA	0.00	0.00	0.00	3,534.12
182	100005035	ZUKO	MATSHINI	2118 MLUNGISI LOC	6302015668084	MRD for MLUNGISI\CUMAKA	8,993.31	65.15	9,058.46	3,533.76
183	100004530	BULELWA	MENL	1923 MLUNGISI LOC	5605185687085	MRD for MLUNGISI\CUMAKA	3,795.61	9.68	3,805.29	1,572.36
184	100004451	TOTO ABBIE	JAMDA	1889 MLUNGISI LOC	5407015721089	MRD for MLUNGISI\CUMAKA	5,955.90	27.14	5,983.04	3,533.76
185	100004205	WALASE	TSHALI	1767 MLUNGISI LOC	4306255449081	MRD for MLUNGISI\CUMAKA	8,685.11	63.68	8,748.79	3,534.12
186	100003818	KHAWULEZILE ALFRED	NIKIMO	1665 MLUNGISI LOC	6107185461081	MRD for MLUNGISI\CUMAKA	5,462.17	30.42	5,492.59	3,533.76
187	100001847	DATINI	BEVU	1047 MLUNGISI LOC	6812245390085	MRD for MLUNGISI\CUMAKA	1,122.64	0.01	1,122.65	3,534.12
188	100001015	NOMNYAMA	RASI	7061 KOLOGHA HOUSING	5503240725083	MRD for STUTTERHEIM	7,636.91	54.40	7,691.31	3,534.12
TOTAL							288,243.64	1,399.23	289,642.87	227,260.56

GREAT KEI

NO.	Account Number	Name	Surname	Address	ID Number	Area	Total Bal w/o Interest Amount	Total Interest Amount	Total Outstanding Bal	Subsidy per Annum
189	100231355	NONDINI LUCY	MARASI	2583 SIVIWE LOC	5807070794089	MRD for KOMGA	839.07	0.89	839.96	1,799.28
190	100040431	NONKULULEKO	NANASELE	901 BANTU BONKE ST	5611090750083	MRD for KEI MOUTH	11,307.96	10.79	11,318.75	3,760.68
191	100040358	NONQOKOQWANA	DATHINI	823 MAIN ST CWILI LOC	4304110333087	MRD for KEI MOUTH	3,269.89	20.68	3,290.57	3,760.68
192	100039459	NOMACHULE	LENTO	2460 SIVIWE LOC	5003250651089	MRD for KOMGA	747.76	1.77	749.53	2,735.40
193	100038682	NOGODUSI NOMISILE	GIDI	604 MZOMHLE LOC	3707185246086	MRD for KOMGA	4,539.09	0.65	4,539.74	1,799.28
194	100037885	DANILE & THOZAMA.C	DAMOYI	632 MZOMHLE LOC	4303035602089	MRD for KOMGA	800.24	1.57	801.81	1,799.28
TOTAL							21,504.01	36.35	21,540.36	15,654.60

RAYMOND MHLABA(NXUBA)

NO.	Account Number	Name	Surname	Address	ID Number	Area	Total Bal w/o Interest Amount	Total Interest Amount	Total Outstanding Bal	Subsidy per Annum
195	100381494	JAMILA	GANGAT	40 MARAIS ST	5203020114083	MRD for ADELAIDE	3,573.84	3.76	3,577.60	3,533.76
196	100381394	BONGANI WORKMAN	FRANS	1416 NEW AREA	6910255684080	MRD for ADELAIDE	1,508.12	5.69	1,513.81	2,508.48
197	100381279	ZWELINZIMA	YEKO	264 LINDANI ST	5804165335084	MRD for NYARHA	2,226.54	11.93	2,238.47	3,533.76
198	100380816	ANTONIO EDWARD	JOAQUIM	55 KERK ST	7212185233081	MRD for ADELAIDE	6,725.16	16.67	6,741.83	3,533.76
199	100327099	MYRTEL	CUMMINGS	12F DA SILVA STREET	8702070136083	MRD for BEDFORD	2,915.06	5.06	2,920.12	3,533.76
200	100210657	MARGERET	CHRISTIAN	2210 NEW AREA	7611090221083	MRD for ADELAIDE	409.68	0.64	410.32	3,533.76
201	100208895	HESTER	WITBOOI	1889 NEW AREA	6812080634084	MRD for ADELAIDE	19.37	6.16	25.53	3,534.12
202	100208891	MLUNGISI JOSEPH	DINGE	1886 NEW AREA	5204155699088	MRD for ADELAIDE	16,610.51	67.40	16,677.91	3,534.12
203	100208806	NONKOSI	THEMBANI	2356 NEW AREA	6803050887083	MRD for ADELAIDE	0.00	0.00	0.00	3,533.76
204	100150332	FANISWA GEORGINA	PETER	1677 MAKINANA STREET	5802190340087	MRD for LINGELETHU	280.48	0.16	280.64	3,533.76
205	100150304	WANDISWA ELMA	SLINGER	1650 MABINDLA ST	3302145089089	MRD for LINGELETHU	110.58	1.42	112.00	3,533.76
206	100150154	BREKILE JIMMY	NTENGU	1443 SOYAYA ST	3708255188083	MRD for LINGELETHU	1,265.91	0.00	1,265.91	3,533.76
207	100149616	NOLULAMILE MONICA	KAYI	97 MKONTO ST	5101225597088	MRD for LINGELETHU	2,116.37	0.16	2,116.53	3,533.76
208	100148999	NKULULEKO BENVOLIO	MBETHANA	4F DUBASI STREET	5811185304081	MRD for LINGELETHU	3,238.17	2.30	3,240.47	3,533.76
209	100148580	MAVIS THULIWE	MNCONO	1463 NEW GOODWIN PARK	5411260698083	MRD for BEDFORD	0.00	0.00	0.00	3,533.76
210	100148552	LAMEKI RICHMOND	MANGE	1429 NEW GOODWIN PARK	4504225460085	MRD for BEDFORD	0.00	0.00	0.00	3,533.76
211	100148506	TSEYI MARIE	ZONO	52 CALANA ST	3003250349082	MRD for NYARHA	361.63	0.00	361.63	3,533.76
212	100148483	TOWUTI WILLIE	MBOYA	8 MAHLULO STREET	4603075498086	MRD for NYARHA	1,315.79	1.92	1,317.71	3,533.76
213	100148356	MINNIE	MOULTRIE	19 SOMMERSET ST	3204100296081	MRD for BEDFORD	235.34	0.00	235.34	3,533.76
214	100148353	JOHANNA	LOTTERING	13 SOMERSET ST	3806080412080	MRD for BEDFORD	24,600.72	11.63	24,612.35	3,533.76
215	100148207	DOROTHY	JACOBS	40F EIKELAAN	5207225013081	MRD for BEDFORD	2,041.18	1.48	2,042.66	3,533.76
216	100147997	NOROY LEANETIE	KATYWA	130 ZINGISANI STREET	4911030620086	MRD for NYARHA	0.00	0.00	0.00	3,533.76
217	100147996	ANNIE	JOHNSON	67 DA SILVA ST	1504125072082	MRD for BEDFORD	6,052.80	4.64	6,057.44	3,533.76
218	100147994	LETTIE TOKKIE	WALTERS	68 DA SILVA ST	4812260675081	MRD for BEDFORD	0.00	0.00	0.00	3,533.76

219	100147972	LILLIAN NOBOMVU	NKOMO	118 ZINGISANI ST	4310110387080	MRD for NYARHA	978.74	1.87	980.61	3,533.76
220	100147966	NONTINA EDITH	WILLIAMS	115 ZINGISANI ST	4510270455086	MRD for NYARHA	0.00	0.00	0.00	3,533.76
221	100147948	MARIA POPAAI	APRIL	VIOLETSTRAAT 46	4405220115080	MRD for BEDFORD	4,460.74	6.43	4,467.17	3,533.76
222	100147901	VUYANI	WANI	846 PHOLA PARK	6202065918084	MRD for NYARHA	3,038.55	2.66	3,041.21	5,495.16
223	100147889	FREEK	WALTERS	41F CARNATION STREET	4012105134085	MRD for BEDFORD	538.81	1.06	539.87	3,533.76
224	100147848	ANGELEEN	REX	15 PROTEA STREET	5306050837083	MRD for BEDFORD	0.00	0.00	0.00	3,533.76
225	100147805	HANSIE ISAAC	PETERS	6 SEENEY ST	6010225244089	MRD for BEDFORD	11,503.26	10.67	11,513.93	3,533.76
226	100147803	AGNES NONTZOIMBI	SLATSHA	807 PHOLA PARK	5512090655084	MRD for NYARHA	0.00	0.00	0.00	3,533.76
227	100147777	THEMBILE WELCOME & THANDEKA	MNCONO & KWEYI	794 PHOLA PARK	4506135481085	MRD for NYARHA	0.00	0.00	0.00	3,533.76
228	100147743	MANENTJIE	PIETERSE	38 FITCHET STREET	5110095167088	MRD for BEDFORD	4,601.48	18.32	4,619.80	3,533.76
229	100147596	NONTINAM LIZZIE	MANQUINYANA	692 PHOLA PARK	5106210635082	MRD for NYARHA	0.00	0.00	0.00	3,533.76
230	100147554	TSOTSI & NOMZAMO JULIA	JAPAN	650 POLAR PARK LOC	5802045642083	MRD for NYARHA	3,869.21	5.94	3,875.15	3,533.76
231	100147443	WITNESS NCEDILE	KRALO	578 PHOLA PARK	6102125652089	MRD for NYARHA	11,294.20	12.37	11,306.57	3,533.76
232	100147433	YOLISWA	MATYA	569 PHOLA PARK	5206205687088	MRD for NYARHA	0.00	0.00	0.00	3,533.76
233	100147390	BONISWA ESTHER	MANTU	537 PHOLA PARK LOC	6007210651088	MRD for NYARHA	0.00	0.00	0.00	3,533.76
234	100147369	WILLIAM DANILE	VUSANI	527 PHOLA PARK	5404045899084	MRD for NYARHA	574.60	0.00	574.60	3,533.76
235	100147361	XOLISWA PATRICIA	DESI	521 PHOLA PARK	6402090510084	MRD for NYARHA	368.60	0.14	368.74	3,533.76
236	100147352	ZOLILE MICHAEL	WITBOOI	516 PHOLA PARK	4410035421087	MRD for NYARHA	5,115.01	5.36	5,120.37	3,533.76
237	100147112	KHEPU KAIZER	JOLINGANA	188 KHANGELA ST	3206255174088	MRD for NYARHA	252.56	0.00	252.56	3,533.76
238	100146499	KHOLIWE ELIZABETH	NZUBE	31 NTLAMA ST	3703170292086	MRD for NYARHA	26,364.02	11.59	26,375.61	3,533.76
239	100145719	MONA MERCIA	SNYERS	18 GOLIATH MEYER ST	5207070115080	MRD for ADELAIDE	5,311.65	4.10	5,315.75	3,533.76
240	100145717	YVONNE LENA	SNAYERS	20 GOLIATH MEYERS STREET	5012300026085	MRD for ADELAIDE	5,266.30	5.81	5,272.11	3,533.76
241	100145687	EDNA	BEZUIDENHOUT	22 GOLIATH MEYERS ST	6102060605084	MRD for ADELAIDE	155.16	0.00	155.16	3,533.76
242	100145506	JAFTA WILLIAMS	KONZA	33 WILLEM DANIEL ST	4808035604083	MRD for ADELAIDE	0.00	0.00	0.00	3,533.76
243	100145490	MARTHA	DE LANGE	29 ASTER ST	4206030088081	MRD for ADELAIDE	0.00	0.00	0.00	3,533.76
244	100145489	LEON	STOWMAN	27 ASTER ST	6705045135082	MRD for ADELAIDE	4,652.52	7.13	4,659.65	3,533.76
245	100145451	PIETER	FREDERICKS	DAHLIA STRAAT 28	5008155209081	MRD for ADELAIDE	3,539.25	4.90	3,544.15	3,533.76
246	100145439	ULEEN SORETHA	SNAYERS	48 DALHIA STREET	6806200697088	MRD for ADELAIDE	8,070.35	10.71	8,081.06	3,533.76
247	100145400	ZELDA	FREDERICKS	9 AALYWYNS ST	6901070271088	MRD for ADELAIDE	1,088.19	0.00	1,088.19	3,533.76
248	100145374	RACHEL	CHRISTIAN	79 SAM BOTHA STREET	5205315078089	MRD for ADELAIDE	700.02	0.00	700.02	3,533.76
249	100145054	MSOKOLISI ZAMPIE	DYOBELA	2217 NEW AREA	6401155737087	MRD for ADELAIDE	420.18	1.63	421.81	3,533.76
250	100144982	NOLUTHANDO EUNICE	MPONGOSHE	2117 NEW AREA	6309120948087	MRD for ADELAIDE	183.68	0.00	183.68	3,533.76
251	100144963	TEMBISA PRINCESS	NJUMBUNXA	2093 NEW AREA	7411040699086	MRD for ADELAIDE	418.92	0.47	419.39	3,533.76
252	100144941	MNCEDISI HENRY	YOBI	2067 NEW AREA	5103115629088	MRD for ADELAIDE	113.70	0.76	114.46	3,533.76
253	100144930	NONKULULEKO	NDYAWWE	2054 NEW AREA	5301100971081	MRD for ADELAIDE	327.18	0.00	327.18	3,533.76
254	100144873	MEISIE	DYWILI	1992 NEW AREA	6406160674084	MRD for ADELAIDE	17,109.15	76.04	17,185.19	3,533.76
255	100144804	APRIL	FRANS	1875 NEW AREA	4704055547080	MRD for ADELAIDE	0.00	0.00	0.00	3,533.76
256	100144754	NONTWAZANA NOMISILE	NTENGO	1764 NEW AREA	4510060385089	MRD for ADELAIDE	3,506.10	0.96	3,507.06	3,533.76
257	100144656	TANDEKA ELIZABETH	MPONTSO	1661 NEW AREA	5212020685083	MRD for ADELAIDE	0.00	0.00	0.00	3,533.76
258	100144633	MPUMELELO SIDWELL	NGOQI	1639 NEW AREA	4604135535081	MRD for ADELAIDE	0.00	0.00	0.00	3,533.76
259	100144492	ERNA	BINWELL	1492 NEW AREA	6805220077081	MRD for ADELAIDE	38,357.89	92.77	38,450.66	3,533.76
260	100144489	ZITHEMBILE APRIL	KULA	1488 NEW AREA	4004015689084	MRD for ADELAIDE	3,907.54	7.43	3,914.97	3,533.76
261	100144464	ZANYIWE GLADYS	JANTJIE	1461 NEW AREA	5107080417080	MRD for ADELAIDE	183.68	0.00	183.68	3,533.76
262	100144410	EBENWHAEZER	ADRIAAN	1401 NEW AREA	6903051110087	MRD for ADELAIDE	20,896.23	87.01	20,983.24	3,533.76
263	100144395	NOPONGO ESTHER	HLAKAVA	1383 NEW AREA	2901011154082	MRD for ADELAIDE	193.86	0.06	193.92	4,080.84
TOTAL							262,968.58	517.21	263,485.79	245,313.36

GRAND TOTAL **1,481,216.74** **4,397.80** **1,485,614.54** **874,469.16**

**ANNEXURE A: REQUEST FOR INDIGENT SUBSIDY APPROVAL AND BAD DEBT WRITE - OFFS
FOR APPROVED INDIGENTS-DEBT OWED AS AT 31 DECEMBER 2017**

MINQUAMA

NO.	Account Number	Name	Surname	Address	ID Number	Area	Total Bal w/o Interest Amount	Total Interest Amount	Total Outstanding Balance	Subsidy per Annum
1	000100380664	NTOMBOKAYA PRINCESS	JUJWANA	156 MSOBOMVU T'SHIP BUTTERWORTH 4960	5010220133080	MRD for BUTTERWORTH	5,873.35	22.68	5,896.03	3,760.68
2	000100231063	NOGAKA	BENILE	8948 VEZINYAWO EXT BUTTERWORTH 4960	4907250732080	MRD for BUTTERWORTH	2,811.07	12.84	2,823.91	3,760.68
3	000100230491	EVELYN	NGXOTELWA	ERF 8976 BUTTERWORTH 4960	5308230908081	MRD for BUTTERWORTH	3,665.66	9.02	3,674.68	3,760.68
4	000100229689	MILDRED	GIJANA	ERF 9181 NGCISINDE ADMIN AREA NQAMAKWE 4990	4903030332085	MRD for BUTTERWORTH	6,169.73	47.06	6,216.79	3,533.76
5	000100229688	NOMBUSO	MATIKINCA	9179 EXT 14 BUTTERWORTH 4960	7311260900083	MRD for BUTTERWORTH	4,221.81	21.99	4,243.80	3,533.76
6	000100229683	NONKOLISO	NGQABISHE	2299 QUBA LOCATION BUTTERWORTH 4960	6607030865089	MRD for BUTTERWORTH	0.00	0.00	0.00	3,533.76
7	000100229592	VIRGINIA KUTALA	MHAMB	200 MSOBOMVU TOWNSHIP BUTTERWORTH 4960	4806200245088	MRD for BUTTERWORTH	0.00	0.00	0.00	3,760.68
8	000100229576	NOMAHEBERE, MILDRED	NQOLOBA	ERF 9091 SKITI LOCATION BUTTERWORTH 4960	7005031181086	MRD for BUTTERWORTH	19,946.87	161.32	20,108.19	3,760.68
9	000100229539	NONTOMBI	MOOI	9073 EXT 14 BUTTERWORTH 4960	5803111031086	MRD for BUTTERWORTH	7,087.50	48.95	7,136.45	3,533.76
10	000100229528	NOPHANDLE	SKUNDLA	ERF 9067 BUTTERWORTH 4960	6206201189088	MRD for BUTTERWORTH	0.00	0.00	0.00	3,533.76
11	000100229520	TABISA CYNTHIA	MTSHIXA	P O BOX 62 BUTTERWORTH 4960	6410130845089	MRD for BUTTERWORTH	0.00	0.00	0.00	3,533.76
12	000100229519	LINDELWA	PAKO	ERF 9063 BUTTERWORTH 4960	5410130222082	MRD for BUTTERWORTH	0.00	0.00	0.00	2,508.48
13	000100229429	NDILEKA	MGUBASI	9005 EXT 14 VEZINYAWO BUTTERWORTH 4960	6312160039080	MRD for BUTTERWORTH	834.46	5.83	840.29	3,533.76
14	000100229427	NOMAHULUBI EUNICE	BOBE	54 COLOURED STREET BUTTERWORTH 4960	7202101269087	MRD for BUTTERWORTH	1,921.04	16.66	1,937.70	3,533.76
15	000100229424	NOMAKHOSAZANA	MTYEBI	45 ZITHULELE STREET BUTTERWORTH 4960	6901180681085	MRD for BUTTERWORTH	7,337.46	46.45	7,383.91	3,760.68
16	000100229423	NORODUDANA	MATONI	ERF 9001 BUTTERWORTH 4960	6301121092080	MRD for BUTTERWORTH	6,456.12	54.20	6,510.32	3,760.68
17	000100228637	NOMAPHOKONQISA & GQETSHA	BACELA	29 IBIKA TOWNSHIP BUTTERWORTH 4960	3803060473083	MRD for BUTTERWORTH	0.00	0.00	0.00	3,760.68
18	000100228626	NOBOM	SILWANA	9069 MCUBAKAZI MSOBOMVU TOWNSHIP BUTTERWORTH 4960	6402121060083	MRD for BUTTERWORTH	8,520.38	65.05	8,585.43	3,533.76
19	000100228625	NOMFUSI	JAFTA	9068 BUTTERWORTH X14B 4960	5005051163081	MRD for BUTTERWORTH	4,009.84	34.52	4,044.36	3,533.76
20	000100228622	NOMOTO CYNTHIA	BENYA	1265 MCUBAKAZI TOWNSHIP BUTTERWORTH 4960	5604160981084	MRD for BUTTERWORTH	20,890.46	20.23	20,910.69	3,533.76
21	000100228617	NOLINGENE	NKONDE	9165 EXT 14B BUTTERWORTH 4960	2802280076081	MRD for BUTTERWORTH	0.00	0.00	0.00	3,760.68
22	000100228596	SOBUBELE	MQELE	9043 EXTENSION 14 B BUTTERWORTH 4960	4705155279086	MRD for BUTTERWORTH	0.00	0.00	0.00	3,760.68
23	000100228585	NOLITA	MAFANYA	ERF NO. 9149 18 CUBA TOWNSHIP BUTTERWORTH 4960	6806081045084	MRD for BUTTERWORTH	4,044.95	33.71	4,078.66	3,760.68
24	000100228514	LULAMA VIVIAN	MOYAKE	9085 CUBAKAZI TOWNSHIP BUTTERWORTH 4960	6212040271087	MRD for BUTTERWORTH	2,134.89	22.30	2,157.19	3,533.76
25	000100228455	MCOSELELI	MELANI	9193 EXTENSION 14 B BUTTERWORTH 4960	5803035271081	MRD for BUTTERWORTH	12,258.15	90.61	12,348.76	3,533.76
26	000100228439	SHIELLA	NTSUME	HOUSE NR 8960 EXTENSION 14B 14B BUTTERWORTH 4960	5807150248089	MRD for BUTTERWORTH	796.39	3.85	800.24	3,760.68
27	000100212998	NTOMBOKHAYA	COKI	36 DIKANA STREET KWANOBUHLE UITENHAGE 6242	5406030964088	MRD for BUTTERWORTH	2,253.57	13.49	2,267.06	3,760.68
28	000100162763	ALBERTINA VUYELENI	NYANGANA	7710 ZIZAMELE LOC BUTTERWORTH 4960	4306060265086	MRD for BUTTERWORTH	528.31	0.00	528.31	3,760.68
29	000100159756	NOTULETU ELIZABETH NOSAYINILE & ZIDLELE	NJENJE	2443 MSOBOMVU TOWNSHIP BUTTERWORTH 4960	3912060101089	MRD for BUTTERWORTH	10,084.21	28.10	10,112.31	3,760.68
30	000100157326	NOANDILE OCTAVIA	FABELE	673 MSOBOMVU T'SHIP EXT 09 BUTTERWORTH 4960	5209230167084	MRD for BUTTERWORTH	10,762.00	3.95	10,765.95	3,760.68
TOTAL							142,608.22	762.81	143,371.03	108,618.24

NXUBA

NO.	Account Number	Name	Surname	Address	ID Number	Area	Total Bal w/o Interest Amount	Total Interest Amount	Total Outstanding Balance	Subsidy per Annum
31	000200001020	CLARINA ALLETA	APRIL	new goodwin park 5780	6505200643080	MRD for BEDFORD	501.82	0.00	501.82	3,533.76
32	000200001019	ELSIE	VAN HEERDEN	Farr 5780	6703180194089	MRD for BEDFORD	450.14	0.00	450.14	3,533.76
33	000200001005	NOMBULELO	FAKU	New Area 5760	5903130675085	MRD for ADELAIDE	450.14	0.00	450.14	3,533.76
34	000100381499	MINA MARIA	MCKERRY	47 ASTER STREET ADELAIDE 5760	6402290083080	MRD for ADELAIDE	1,463.01	2.20	1,465.21	2,508.48
35	000100381253	DANIE	KUSTIR	35 FITCHET STREET BEDFORD 5780	6912055907083	MRD for BEDFORD	2,441.85	12.04	2,453.89	2,508.48
36	000100380988	THANDEKA JEANNETT	NGESIMANI	2237 NEW AREA ADELAIDE 5760	7103040891082	MRD for ADELAIDE	3,935.18	19.69	3,954.87	3,533.76
37	000100352910	ZUKIWE	BOSCH	1638 NEW AREA ADELAIDE 5780	7809091568086	MRD for ADELAIDE	2,857.81	4.07	2,861.88	3,533.76
38	000100268334	SAKHUMZI SIDWELL	LUDWABE	17 MAKHENYANA STREET LINGELETHU ADELAIDE 5760	7609165627085	MRD for LINGELETHU	3,026.42	0.07	3,026.49	3,533.76
39	000100268288	NOWINILE TOPSY	SKOTTI	1614 FRANCE STREET LINGELETHU ADELAIDE 5760	1006130113083	MRD for LINGELETHU	0.00	0.00	0.00	3,533.76
40	000100234396	GRACE EVA	PRETORUIS	5 ADAM MEINTJES BEZUIDENHOUTVILLE ADELAIDE 5760	5007265149013	MRD for ADELAIDE	5,227.98	6.80	5,234.78	3,533.76
41	000100228849	NOMZIWAKEH EDITH	SABANI	1988 NEW AREA BEZVILLE ADELAIDE 5760	5401075808084	MRD for ADELAIDE	2,477.34	4.64	2,481.98	3,533.76
42	000100216433	SIZIWE CATHERINE & SOLOM NTEMI	LITYE	ERF 1827 ADELAIDE 5760	4502135434083	MRD for ADELAIDE	0.00	0.00	0.00	3,533.76
43	000100208827	THEMBEKA JOYCE	PETSHWA	1861 NEW AREA ADELAIDE 5760	691020278083	MRD for ADELAIDE	197.85	1.36	199.21	3,534.12
44	000100207298	SYLVIA MARIA	LEBOK	9 COLE STREET BEDFORD 5780	6108250166084	MRD for BEDFORD	887.79	0.00	887.79	4,559.04
45	000100150424	VUYISILE JACKSON & NOMBULELO SYLVIA	NKATU	1769 FUNANI STREET LINGELETHU ADELAIDE 5760	5207075376083	MRD for LINGELETHU	329.32	0.00	329.32	3,533.76
46	000100150222	NOLIZA NONTINAM	KULA	1515 ROOILAND STREET LINGELETHU ADELAIDE 5760	3812210288085	MRD for LINGELETHU	379.67	0.66	380.33	3,533.76
47	000100150211	TSORORO CHARLIE	JANUARY	1504 DYANTYI ST LINGELETHU ADELAIDE 5760	3811105221086	MRD for LINGELETHU	0.00	0.00	0.00	3,533.76
48	000100149617	NELSON THEMBISILE	NDYAMBO	101 BUNZI ST LINGELETHU ADELAIDE 5760	5807295788080	MRD for LINGELETHU	275.52	0.00	275.52	3,533.76

49	000100149598	MZWANDILE	MABINDLA	76 MKHONTO STREET LINGELETHU ADELAIDE 5760	4410105600081	MRD for LINGELETHU	1,235.97	7.49	1,243.46	3,533.76
50	000100149380	KOSANTI COUNSEL	NAROSI	5 TONI STREET LINGELETHU ADELAIDE 5760	3106015164082	MRD for LINGELETHU	4,903.64	1.33	4,904.97	4,559.04
51	000100149346	SITEMBISO LOTRICK	TESANA	63 NGANTWENI STREET JAMPA LOC ADELAIDE 5760	5203215352084	MRD for LINGELETHU	7,925.71	0.97	7,926.68	3,533.76
52	000100149192	NOSIZWE MARGARET	PETROS	182 NJENGE ST LINGELETHU ADELAIDE 5760	3311100252087	MRD for LINGELETHU	279.60	0.02	279.62	3,533.76
53	000100148948	NONTSIKELELO VERINA	MANGALI	241 NDZALA STREET LINGELETHU ADELAIDE 5760	3507050181081	MRD for LINGELETHU	59,371.72	20.13	59,391.85	3,533.76
54	000100148699	NONGAZI MABEL	ONIWE	T38 MPUPHU ST KHAYELITSHA LOC BEDFORD 5780	4301015805086	MRD for NYARHA	14,991.36	9.07	15,000.43	3,533.76
55	000100148646	NONTOBILE GLADYS	JOLINGANA	T96 MPUPHU ST KHAYELITSHA LOC BEDFORD 5780	3502040243083	MRD for NYARHA	882.32	0.00	882.32	3,533.76
56	000100148564	VUYOKAZI	MANGE	1444 NEW GOODWIN PARK BEDFORD 5780	6901100790081	MRD for BEDFORD	316.00	0.00	316.00	3,533.76
57	000100148424	NOMSA ETHEL	MBOLA	21 NEW BRIGHTON LOC BEDFORD 5780	4512070426085	MRD for BEDFORD	0.00	0.00	0.00	3,533.76
58	000100148194	ABRAM	OKTOBER	29F EIKELAAN BEDFORD 5780	4108105013087	MRD for BEDFORD	1,728.12	0.50	1,728.62	3,533.76
59	000100148172	LUNA JEANETTE	TROLLIP	10F DA SILVA STREET BEDFORD 5780	6307155201083	MRD for BEDFORD	6,092.72	25.27	6,117.99	3,533.76
60	000100147892	KOKO WILLIAM	MTYHALA	84 MBEKWENI STREET BONGWENI LOCATION BEDFORD 5780	5004155790089	MRD for NYARHA	2,441.96	1.97	2,443.93	3,533.76
61	000100147780	SARAH	ROOI	18 FITCHET ST GOODWIN PARK BEDFORD 5780	6009240197082	MRD for BEDFORD	33,036.72	187.74	33,224.46	3,533.76
62	000100147751	MINNIE	KOESTER	41 FITCHET ST GOODWIN PARK BEDFORD 5780	4005205099018	MRD for BEDFORD	0.00	0.00	0.00	3,533.76
63	000100147748	HENDRIK	BENNETT	40 FITCHET ST GOODWIN PARK BEDFORD 5780	4408120122081	MRD for BEDFORD	0.00	0.00	0.00	3,533.76
64	000100145659	SINAH	ADOONS	16 WESSEL ROBERT ST BEZUIDENHOUTVILLE ADELAIDE 5760	5603040134088	MRD for ADELAIDE	8,511.57	9.10	8,520.67	3,533.76
65	000100145426	MARTHA VLEKKIE	BANTOM	68 SAM BOTHA ST BEZUIDENHOUTVILLE ADELAIDE 5760	7804160149082	MRD for ADELAIDE	7,372.78	14.89	7,387.67	3,533.76
66	000100145425	SARAH	KIEWIETS	SAM BOTHA STRAAT 70 BEZUIDENHOUTVILLE ADELAIDE 5760	6205280270082	MRD for ADELAIDE	20,891.51	14.59	20,906.10	3,533.76
67	000100145346	MARY	BOTHA	119 ROOS ST BEZUIDENHOUTVILLE ADELAIDE 5760	3212085174082	MRD for ADELAIDE	0.00	0.00	0.00	3,533.76
68	000100145332	FLOARA	OLIFANT	118 ROOS ST BEZUIDENHOUTVILLE ADELAIDE 5760	4407310044089	MRD for ADELAIDE	0.00	0.00	0.00	3,533.76
69	000100145295	CATHERING ESTHER	KAISE	39 HIBUSKUS STREET BEZUIDENHOUTVILLE ADELAIDE 5760	3411110587082	MRD for ADELAIDE	11,046.60	3.38	11,049.98	3,533.76
70	000100144824	REGINA	JACOBS	1939 NEW AREA BEZ'VILLE ADELAIDE 5760	6808160752085	MRD for ADELAIDE	10,898.22	9.88	10,908.10	3,533.76
71	000100144523	CIKIZWA FLORENCE	LITYE	1525 NEW AREA BEZUIDENHOUTVILLE ADELAIDE 5760	6302020864082	MRD for ADELAIDE	1,564.65	1.79	1,566.44	3,533.76
72	000100144481	NONTSOMI SYLVIA	KABA	1478 NEW AREA ADELAIDE 5760	6407045519089	MRD for ADELAIDE	1,809.02	3.05	1,812.07	3,533.76
73	000100143612	NONGETHENI ANGELINA	YOBI	27 MARGARET ST ADELAIDE 5760	5411110533084	MRD for ADELAIDE	287.30	0.00	287.30	3,533.76
TOTAL							220,489.33	362.70	220,852.03	151,952.04

AMAHLATHI

NO.	Account Number	Name	Surname	Address	ID Number	Area	Total Bal w/o Interest Amount	Total Interest Amount	Total Outstanding Balance	Subsidy per Annum
74	000100381353	AMANDA	SWARTBOOI	7070 KOLOGHA TOWNSHIP STUTTERHEIM 4930	8405190926082	MRD for STUTTERHEIM	3,014.60	13.06	3,027.66	3,534.12
75	000100206246	KHOTHAMILE	MADALA	6989 KOLOGHA HOUSING PROJECT STUTTERHEIM 4930	4806105668087	MRD for STUTTERHEIM	1,565.15	0.47	1,565.62	3,533.76
76	000100008551	NOMFUNeko	TYUTYANA	6979 KOLOGHA HOUSING PROJECT STUTTERHEIM 4930	5802250682089	MRD for STUTTERHEIM	0.00	0.00	0.00	3,533.76
77	000100008526	NONKOLISEKO	MAHLATI	6958 KOLOGHA STUTTERHEIM 4930	5407190672081	MRD for STUTTERHEIM	0.00	0.00	0.00	3,533.76
78	000100008492	NOMTANDAZO	KOROLEKI	6927 KOLOGHA HOUSING PROJECT STUTTERHEIM 4930	6301011744089	MRD for STUTTERHEIM	472.80	0.87	473.67	3,533.76
79	000100008447	FANISWA	DILIKA	6883 KOLOGHA HOUSING PROJECT STUTTERHEIM 4930	7004090294088	MRD for STUTTERHEIM	3,048.40	12.78	3,061.18	3,533.76
80	000100008405	GLADYS	SIMANGA	6843 KOLOGHA HOUSING PROJECT STUTTERHEIM 4930	7012140801083	MRD for STUTTERHEIM	231.17	0.17	231.34	4,080.84
81	000100008355	LULAMA VICTORIA	VONGWE	P O BOX 40 STUTTERHEIM 4930	6409300259089	MRD for STUTTERHEIM	7,769.51	10.22	7,779.73	3,533.76
82	000100008321	BUYISWA	JONGILANGA	6763 KOLOGHA HOUSING PROJECT STUTTERHEIM 4930	5605140769085	MRD for STUTTERHEIM	231.63	0.87	232.50	3,533.76
83	000100008143	MZWAMADODA	MVANDABA	6593 KOLOGHA HOUSING PROJECT STUTTERHEIM 4930	7802027195082	MRD for STUTTERHEIM	185.25	0.17	185.42	3,533.76
84	000100007901	LUNGISWA	SIMANGA	6362 KOLOGHA HOUSING PROJECT STUTTERHEIM 4930	7607130553089	MRD for STUTTERHEIM	20,218.39	81.88	20,300.27	3,534.12
85	000100005534	SIDINA	MAVELA	2309 MLUNGISI LOC STUTTERHEIM 4930	6006030523089	MRD for MLUNGISI	0.00	0.00	0.00	3,533.76
86	000100005349	PAMELA	TEMBANI	2235 MLUNGISI LOC STUTTERHEIM 4930	6106065765082	MRD for MLUNGISI	137,912.66	209.70	138,122.36	3,533.76
87	000100004457	NOMALEDI	MOKO	P.O. BOX 580 STUTTERHEIM STUTTERHEIM 4930	3607015329088	MRD for MLUNGISI	298.48	0.00	298.48	3,533.76
88	000100002577	MLUNGISELELI SOLOMON	MOHAMETT	1345 MLUNGISI TOWNSHIP 4930	5706215690089	MRD for MLUNGISI	1,465.23	6.16	1,471.39	3,534.12
TOTAL							176,413.27	336.35	176,749.62	53,554.56

GREAT KEI

NO.	Account Number	Name	Surname	Address	ID Number	Area	Total Bal w/o Interest Amount	Total Interest Amount	Total Outstanding Balance	Subsidy per Annum
89	000100352689	NONGONJE	KAWA	82 MZOMHLE EXTENSION KOMGA 4950	4608100491089	MRD for KOMGA	15,999.57	104.35	16,103.92	1,572.36
90	000100218652	SOGRWIDI	MAKEFUNGANA	1140 CINTSA EAST EAST LONDON 5275	5904175381084	MRD for CINTSA	9,015.72	17.81	9,033.53	3,760.68
91	000100040514	THOBEKA VERONICA	SICASHA	698 ZWELITSHA CRES CWILI TOWNSHIP KEI MOUTH 5260	6209020783081	MRD for KEI MOUTH	671.37	2.30	673.67	3,760.68
92	000100039227	NOMABISINIYA JEANETTE	MSONGELWA	2167 SIVIWE LOC KOMGA 4950	3608110256085	MRD for KOMGA	0.00	0.00	0.00	1,799.28
93	000100038716	LITOTSO LIVINGSTONE & NOMAMA CYNTHIA	MAMANE	663 MZOMHLE EXT. KOMGA 4950	5106065733081	MRD for KOMGA	1,797.11	1.85	1,798.96	1,799.28
94	000100038680	NOYAYA IDAH AMINA	GUZUBA	600 MZOMHLE EXT KOMGA 4950	4005190334081	MRD for KOMGA	15,878.78	5.03	15,883.81	1,799.28
95	000100038504	MAUREEN	MOHAMED	2345 STOFIE ST KOMGA 4950	6408150681087	MRD for KOMGA	5,023.64	4.35	5,027.99	1,799.28
TOTAL							48,386.19	135.69	48,521.88	16,290.84

NGQUSHWA

NO.	Account Number	Name	Surname	Address	ID Number	Area	Total Bal w/o Interest Amount	Total Interest Amount	Total Outstanding Balance	Subsidy per Annum
96	00020000910	Nomonde	MANTAKANA	new crration 5640	7908140373082	MRD for PEDDIE	0.00	0.00	0.00	3,760.68
97	000100296024	NOLUNGILE SINDEKA	NAMEKA	P.O HAMBURG PEDDIE 5641	2909090666082	MRD for HAMBURG	206.64	0.00	206.64	1,572.36
98	000100233765	SAKHUMZI	CINANI	11983 POWER LOC PEDDIE 5640	7704255265084	MRD for PEDDIE	11,981.79	18.97	12,000.76	3,760.68
99	000100219163	ZOLEKA	CINANI	3113 NEW CREATION PEDDIE 5640	7008150765085	MRD for PEDDIE	10,046.16	0.00	10,046.16	3,760.68
100	000100217748	VUYOKAZI	NGINDANA	3232 NEW CREATION PEDDIE 5640	7205140826080	MRD for PEDDIE	4,566.78	0.06	4,566.84	2,735.40
101	000100217659	NOKWANISO NOZIZWE	HLEKANI	3161 NEW CREATION PEDDIE 5640	6305280871085	MRD for PEDDIE	4,760.21	12.61	4,772.82	3,760.68
102	000100217564	NOMPUMELELO DAAS	CONINI	3166 NEW CREATION PEDDIE 5640	4612250851084	MRD for PEDDIE	3,622.13	0.00	3,622.13	3,760.68
103	000100217283	THAMSANQA	KAHLA	3226 NEW CREATION PEDDIE 5640	6103045843089	MRD for PEDDIE	0.00	0.00	0.00	3,760.68
104	000100217193	NOXOLO	ZAKADE	PRIVATE BAG 13 PEDDIE 5640	7501240700088	MRD for PEDDIE	2,044.08	7.10	2,051.18	3,760.68
105	000100217077	NOPASIKA	JIJANA	P O BOX 376 PEDDIE 5640	6904051321088	MRD for PEDDIE	0.00	0.00	0.00	3,760.68
106	000100217061	MTHUTHI	NGWEKAZI	BOX 600 PEDDIE 5640	7005066300080	MRD for PEDDIE	0.00	0.00	0.00	3,760.68
107	000100216980	LULEKA GRACE	MANELI	3398 NEW CREATION PEDDIE 5640	6501130366082	MRD for PEDDIE	20,503.36	9.63	20,512.99	3,760.68
108	000100216860	THANDISWA	JALI	12666 NEW CREATION PEDDIE 5640	6501110839082	MRD for PEDDIE	2,062.85	1.74	2,064.59	3,760.68
109	000100216701	PHINDILE&LINDISWA	MAYEKISO	P.O. BOX 12 PEDDIE 5640	6203245159086	MRD for PEDDIE	2,008.92	0.00	2,008.92	3,760.68
110	000100216042	PEACEMAKER NOMATHOKAZI	SIMAKUHLA	3488 NEW CREATION PEDDIE 5640	7511180647082	MRD for PEDDIE	298.48	0.00	298.48	3,760.68
111	000100208857	ANDERSON MZIMKHULU	ZITHA	197 NTLINI LOCATION HAMBURG 5641	4301125176089	MRD for HAMBURG	3,769.91	10.46	3,780.37	547.08
112	000100206547	MZWABANTU	NGUBO	11794 ETHEMBENI LOCATION PEDDIE 5640	6305085524087	MRD for PEDDIE	2,265.95	2.88	2,268.83	3,760.68
113	000100205730	THOZAMA EUNICE	QHINA	11911 ETHEMBENIM LOC PEDDIE 5640	7911100787085	MRD for PEDDIE	8,662.80	37.84	8,700.64	3,760.68
114	000100205291	LUNGA LAWRENCE&PHIWEKA GLADYS	MBANGI	P.O. BOX 529 PEDDIE 5640	6509235842089	MRD for PEDDIE	8,381.53	9.26	8,390.79	3,760.68
115	000100205201	ROSIE NTOMBOYISE	MAJAMANI	201 HAMBURG LOC PEDDIE 5640	5001030621083	MRD for HAMBURG	4,519.30	10.65	4,529.95	698.40
116	000100205106	LINDISWA	NTLOKWANA	P O BOX 506 PEDDIE 5640	7108180682084	MRD for PEDDIE	2,194.50	0.15	2,194.65	3,760.68
117	000100201264	NOMFUNKEO FLORENCE	BOPANI	506 HAMBURG LOC PEDDIE 5641	6111040505082	MRD for HAMBURG	2,457.75	1.48	2,459.23	1,572.36
118	000100166049	MNCEDI	MPAHLAZA	103 HAMBURG LOC PEDDIE 5641	4912305273080	MRD for HAMBURG	0.00	0.00	0.00	1,572.36
119	000100037345	MSIMBOTHU ELSON	NYONGO	20915 NTLINI LOC HAMBURG PEDDIE 5641	6506256207085	MRD for HAMBURG	1,046.71	0.35	1,047.06	1,723.68
120	000100037212	NTOMBIZANELE	YEKANI	47 HAMBURG LOC PEDDIE 5641	2906250251085	MRD for HAMBURG	16,604.83	71.30	16,676.13	1,572.36
121	000100037089	MINAH	SOLWANDLE	546 HAMBURG LOC HAMBURG PEDDIE 5641	4110180284088	MRD for HAMBURG	942.68	0.61	943.29	1,572.36
122	000100036966	NOMATHEMBA REBECCA	NDONGA	195 HAMBURG LOC PEDDIE 5641	4502040387087	MRD for HAMBURG	0.00	0.00	0.00	1,723.68
123	000100036904	ZIMISILE	MTSHONISI	216 HAMBURG LOCATION PEDDIE 5641	7312215516081	MRD for HAMBURG	0.00	0.00	0.00	1,572.36
124	000100036695	BANGIWE ELSIE	MAKHUBALO	10 HAMBURG LOC PEDDIE 5641	1806160319082	MRD for HAMBURG	1,375.41	3.06	1,378.47	1,572.36
125	000100036656	VUYISILE	LUGALO	50 HAMBURG LOC PEDDIE 5641	5711185498083	MRD for HAMBURG	4,836.22	3.37	4,839.59	1,723.68
126	000100036461	NOWANELE NOMIRI	DYIDO	24 QOLWENI LOC HAMBURG PEDDIE 5641	3004010596087	MRD for HAMBURG	1,518.01	0.84	1,518.85	1,572.36
TOTAL							120,677.00	202.36	120,879.36	85,662.36

GRAND TOTAL **708,574.01** **1,799.91** **710,373.92** **416,078.04**

8.1.2 REPORT ON THE JUNE 2018 SHORTFALL IN SALARIES AND ALLOWANCES FOR OFFICIALS AND COUNCILLORS

[File No: 5/1/R]
[Author: ACFO/SYK/sk]
[MC: 23 May 2018]
[Council: 31 May 2018]

PURPOSE

- a) To appraise Council on the June 2018 salaries and allowances shortfall to officials and Councilors.
- b) To obtain Council approval for the Amathole District Municipality to obtain a bank overdraft facility to the value of R40 million, which will be repaid by 31 July 2018.

AUTHORITY

The Municipal Finance Management Act 56 of 2003.

LEGAL/STATUTORY REQUIREMENTS

Section 45 of the MFMA allows a municipality to incur short-term debt only in accordance with the Act and only when necessary to bridge shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year.

The Section further requires a resolution of the municipal council, signed by the mayor, to approve the debt agreement and the accounting officer must also sign the documents which creates or acknowledges the debt.

Section 45(3)(a) allows a municipal council to approve an agreement with a lender for a short-term credit facility to be accessed as and when required, including a line of credit or bank overdraft facility. In these instances, the following must be stipulated in the council resolution and can only be changed by a council resolution;

- the credit limit;
- terms of the agreement;

A municipality must pay off short-term debt within the financial year and may not renew or refinance short-term debt, where such a renewal or refinancing will have the effect of extending the short-term debt into a new financial year.

Section 62(1) the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

BACKGROUND / REASONING

Having reported the cash flow constraints in the Section 52(d) and mid-term reports, the municipality continues to experience cash flow constraints which creates an unfavourable relationship between the budget on paper and the actual cash in the bank. This requires the Management to ensure that sufficient cash is available for operations so that the municipality can

fulfil its mandate. The cash coverage norm requires a one to three months (1-3) working capital to be available. A ratio below this norm indicates that the municipality is vulnerable and at higher risk in the event of financial “shocks/set-backs” and its ability to meet its obligations to provide basic services or its financial commitment is compromised. In addition to this the liquidity ratio norm is 2:1, a ratio below this indicates that the municipality is unable to pay debts/suppliers/creditors when due. Both the ratios of the ADM are well below the norms.

The Amathole District Municipality (ADM) received an allocation of R755 million during the 2017/18 financial year in terms of the Division of Revenue Act (DoRA) for the Equitable Share and Levy replacement grant. These grants are usually ring fenced to assist in paying salaries. An amount of R748 million is required to pay the salaries and allowances for both officials and councilors which equates to around R60 million a month.

During July 2017 the first allocation of these grants was received and was burdened by the 2016/17 statutory payments such as PAYE and third party payments which in effect utilized the cash intended for 2017/18 expenditure. This exerted additional strain in the finances taking into consideration the municipality was already not able to meet its working capital needs.

During the month of November 2017, the ADM received an influx of letters of demand from service providers who were no longer patient with the rate of payment by the ADM. These included payments related to service delivery such as chemicals, spares and repairs. Delayed payments were experienced as a result of cash flow constraints. This resulted in a decision that the funds which were ring-fenced for March 2018 salaries and allowances be utilized to pay these service providers. In addition the ADM had entered into a payment arrangement with the Amatola Water Board which had to be honoured which was around R10 million per month.

Added to the already strained cash situation, the ISU module on ADMaC has not been able to generate accurate and complete consumer statements. This has led to consumers not paying their accounts as the accuracy of the billing is being questioned. The cash being received for service charges therefore decreased month on month.

It is against this background that the June salaries and allowances are in a shortfall.

The amount required for the June 2018 salaries is estimated to be R56 480 000.

This amount is comprised as follows:

- Salaries – R28 350 000
- Bonds – R1 500 000
- 3rd Parties 1 – R3 030 000
- 3rd Parties 2 – R14 600 000
- SARS – R9 000 000

In attempting to mitigate the risk of not being able to pay the June 2018 salaries, the Budget and Treasury office has been able to accumulate and set aside an amount of R21 554 460 mainly through service charges and interest earned on call accounts. The Revenue unit has been intensifying collections from Government Departments over the past few months.

Based upon the estimated salary amount from Corporate Services, a shortfall of R35 million is anticipated.

An amount of at least R4 million is projected to be received in the form of service charges from Government Departments over the rest of May 2018 and the month of June 2018.

The first tranche of equitable share for the 2018/19 financial year is anticipated to be received during the first of week of July 2018, upon receipt of this tranche, it is envisaged that the overdraft incurred by the municipality will be fully settled. In view of this it is anticipated that at least the salaries portion of the June 2018 salaries will be paid during June 2018. The third party payments including bonds and SARS will be paid during July 2018 after receipt of the equitable share tranche.

From a prudent perspective, in the event of the first equitable share tranche being delayed, the ADM seeks to obtain an overdraft facility of R40 million from its primary banker Standard Bank. This overdraft facility will only be utilized to pay June 2018 salaries and benefits if the projections for service charges are not realized or if the equitable share tranche is received late.

If utilized, the facility will be repaid by 31 July 2018, using the first equitable share tranche. This will include the interest portion.

STAFF IMPLICATIONS

There are no staff implications

FINANCIAL IMPLICATIONS

The ADM has an estimated shortfall of R36 million towards settling the June 2018 salaries and allowances obligation. Financial implications of the credit facility are uncertain and are to be confirmed after the meeting with Standard Bank. Finance charges in the form of interest will be incurred at a rate of XX%.

OTHER PARTIES CONSULTED

Corporate Services
Standard Bank

ATTACHMENTS

There are no annexures

RECOMMENDATIONS

- a) That Council notes the shortfall on the June 2018 salaries and allowances to officials and councilors.
- b) That Council approves the Amathole District Municipality to obtain a bank overdraft facility to the value of R40 million, which will be repaid by 31 July 2018.

ITEM 8.2
MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

8.2.1 PAYDAY CALENDAR 2018/2019

[File No: 4/5/3]

[Author: Director: Corporate Services/MD/pz/mb]

[MC: 23 May 2018]

[Council: 31 May 2018]

PURPOSE

To request the Council to approve the report on Payday Calendar for 2018/2019 financial year for Councillors and employees.

AUTHORITY

-) The Basic Conditions of Employment Act 75 of 1997
-) The ADM Conditions of Service

LEGAL/STATUTORY REQUIREMENTS

According to the BCEA 75 of 1997, Section 32, an employer must pay to an employee any remuneration that is paid by direct deposit into an account designated by the employee. The employer must pay remuneration not later than seven days after the completion of the period for which the remuneration is payable.

According to the ADM Conditions of Service, employees are to be paid on the 25th of each month or on a Friday proceeding whenever the 25th of that particular month falls on a weekend or on a Monday that is a Public Holiday.

BACKGROUND/REASONING

The reason for the introduction of the Payday Calendar was to have structured dates, which would assist in better planning and organizing. The Payday Calendar is an informative, transparent and user friendly tool.

The dates on the Payday Calendar have been carefully planned and are supported by the following facts:

-) Due to Public Holidays, weekends and the 3 working days before Pay date, the cut off dates vary.
-) Payslips are to be handed to Councillors and employees 2 days before the Pay Date.
-) The checking of data input takes 2 days to check before the Payroll can be run.
-) Employees/departments are to submit information data on a daily basis to the Payroll Section.
-) It is very important to allow for a spare day in case of power failure and internet down, bank on line unavailable.
-) Overtime, Contract Extensions and new appointments are to reach the Payroll Section by the cut- off date each month.

) The 25 September 2018 and 25 February 2019 falls on a Monday therefore it is recommended that if the 25 falls on a Monday, then the payday will fall on the Friday, a Friday prior to Monday 25th.

) The proposed Pay date for December 2018 is the 14 December 2018 which will allow
) time for capturing and checking of Pay day data, otherwise any earlier date will affect the capturing of Payroll data, remembering that the normal Pay date is 25th of the month.

) The proposed Pay date for January 2019 is the 18 January 2019 (4 weeks between December 2018 and January 2019, and the reason for this is that employees only return back to work on 7 January 2019. This affects the Payroll timetable as this only allows for 4 days for the capturing and checking of Pay day data , whereas the normal allocation of time is 8 days

STAFF IMPLICATIONS

There are no staff implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

OTHER PARTIES CONCERNED

No other parties were consulted.

ATTACHMENTS

) Payday Calendar 2018/2019 for Councillors and employees, **Annexures “A”**

RECOMMENDATION

That the Council approves the report on the Payday Calendar for 2018/2019 financial year.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
JULY 2018						
1	2	3	4	5	6	7
8	9 CUT OFF DATE FOR SUBMISSIONS TO PAYROLL BY EMPLOYEES/DEPTS AND 3RD PARTIES	10	11	12	13	14
15	16 CUT OFF DATE FOR PAYROLL SECTION	17	18	19 ELECTRONIC RUN DATE BEFORE 15H00	20	21
22	23	24	25 <u>PAYDAY</u>	26	27	28
29	30	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
AUGUST 2018						
			1	2	3	4
5	6	7 CUT OFF DATE FOR SUBMISSIONS TO PAYROLL BY EMPLOYEES AND 3RD PARTIES	8	9 National Women's Day	10	11
12	13	14	15 CUT OFF DATE FOR PAYROLL SECTION	16	17	18
19	20 ELECTRONIC RUN DATE BEFORE 15H00	21	22	23	24 <u>PAYDAY</u>	25
26	27	28	29	30	31	

SEPTEMBER 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4	5 _____ _____	6	7 CUT OFF DATE FOR SUBMISSIONS TO PAYROLL BY EMPLOYEES AND 3 rd PARTIES	8
9	10	11	12	13 CUT OFF DATE FOR PAYROLL SECTION	14	15
16	17 ELECTRONIC RUN DATE BEFORE 15H00	18	19 _____	20 _____	21 <u>PAYDAY</u>	22
23 30	24 HERITAGE DAY	25	26	27	28	29

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
OCTOBER 2018						
	1	2	3	4	5	6
7	8 CUT OFF DATE FOR SUBMISSIONS TO PAYROLL BY EMPLOYEES AND 3rd PARTIES	9	10	11	12	13
14	15 CUT OFF DATE FOR PAYROLL SECTION	16	17	18	19 ELECTRONIC RUN DATE BEFORE 15H00	20
21 28	22 29	23 30	24 31	25 PAYDAY	26	27

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
NOVEMBER 2018						
				1	2	3
4	5	6	7 CUT OFF DATE FOR SUBMISSIONS TO PAYROLL BY EMPLOYEES AND 3 rd PARTIES	8	9	10
11	12	13	14	15 CUT OFF DATE FOR PAYROLL SECTION	16	17
18	19 ELECTRONIC RUN DATE BEFORE 15H00	20	21	22	23 <u>PAYDAY</u>	24
25	26	27	28	29	30	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
DECEMBER 2018						
						1
2	3	4 CUT OFF DATE FOR SUBMISSIONS TO PAYROLL BY EMPLOYEES AND 3 rd PARTIES	5 CUT OFF DATE FOR PAYROLL SECTION	6	7	8
9	10 ELECTRONIC RUN DATE BEFORE 15H00	11	12	13	14 <u>PAYDAY</u>	15
16 DAY OF RECON	17 PUBLIC HOLIDAY	18	19	20	21	22
23	24	25 CHRISTMAS DAY	26 DAY OF GOODWILL	27	28	29
30	31					

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
JANUARY 2019						
		1 NEW YEAR'S DAY	2	3	4	5
6	7	8 CUT OFF DATE FOR SUBMISSIONS TO PAYROLL BY EMPLOYEES AND 3rd PARTIES	9	10 CUT OFF DATE FOR PAYROLL SECTION	11	12
13	14 ELECTRONIC RUN DATE BEFORE 15H00	15	16	17	18 <u>PAYDAY</u>	19
20	21	22	23	24	25	26
27	28	29	30	31		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
FEBRUARY 2019						
					1	2
3	4	5	6	7 CUT OFF DATE FOR SUBMISSIONS TO PAYROLL BY EMPLOYEES AND 3rd PARTIES	8	9
10	11	12	13	14	15 CUT OFF DATE FOR PAYROLL SECTION	16
17	18 ELECTRONIC RUN DATE BEFORE 15H00	19	20	21	22 <u>PAYDAY</u>	23
24	25	26	27	28		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
MARCH 2019						
					1	2
3	4	5	6	7 CUT OFF DATE FOR SUBMISSIONS TO PAYROLL BY EMPLOYEES AND 3rd PARTIES	8	9
10	11	12	13	14 CUT OFF DATE FOR PAYROLL SECTION	15	16
17	18 ELECTRONIC RUN DATE BEFORE 15H00	19	20	21 Human Rights Day	22	23
24 31	25 PAYDAY	26	27	28	29	30

Sunday Sunday	Monday Monday	Tuesday Tuesday	Wednesday Wednesday	Thursday Thursday	Friday Friday	Saturday Saturday
APRIL 2019						
	1	2	3	4	5	6
7	8 CUT OFF DATE FOR SUBMISSIONS TO PAYROLL BY EMPLOYEES AND 3rd PARTIES	9	10	11	12 CUT OFF DATE FOR PAYROLL SECTION	13
14	15	16	17 ELECTRONIC RUN DATE BEFORE 15H00	18	19 GOOD FRIDAY	20
21	22 FAMILY DAY	23	24	25 <u>PAYDAY</u>	26	27 Freedom Day
28	29	30				

MAY 2019

			1 WORKERS' DAY 2	2	3	4
5	6	7 CUT OFF DATE FOR SUBMISSIONS TO PAYROLL BY EMPLOYEES AND 3rd PARTIES	8	9	10	11
12	13	14	15 CUT OFF DATE FOR PAYROLL SECTION	16	17	18
19	20 ELECTRONIC RUN DATE BEFORE 15H00	21	22	23	24 <u>PAYDAY</u>	25
26	27	28	29	30	31	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
JUNE 2019						
						1
2	3	4	5	6	7 CUT OFF DATE FOR SUBMISSIONS TO PAYROLL BY EMPLOYEES AND THIRD PARTIES	8
9	10	11	12	13	14 CUT OFF DATE FOR PAYROLL SECTION	15
16 Youth Day	17 PUBLIC HOLIDAY	18	19 ELECTRONIC RUN DATE BEFORE 15H00	20	21	22
23 30	24	25 PAYDAY	26	27	28	29

ITEM 8.3
GOOD GOVERNANCE AND PUBLIC PARTICIPATION

8.3.1 PROGRESS REPORT: REGIONAL MANAGEMENT SUPPORT SERVICES BY MUNICIPAL INFRASTRUCTURE SUPPORT AGENT (MISA)

[File No: 9/1/1]
[Author: Municipal Manager/TTM/at]
[Special MC: 23 May 2018]
[Council: 31 May 2018]

PURPOSE

To table to Council the Second Phase Report on the Regional Management Support Services provided by the Municipal Infrastructure Support Agent (MISA) to Amathole District Municipality for approval.

AUTHORITY

- The Constitution of the Republic of South Africa of 1996 as amended.

LEGAL/ STATUTORY REQUIREMENTS

In promoting corporative governance, the 1996, Section 154 (1) Constitution of the Republic of South Africa states that, The national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

BACKGROUND / REASONING

In pursuit of service delivery to communities, it has emerged that some municipalities are not performing at their best level in this regards. To this point, MISA as an infrastructural support agent to local government in South Africa has identified a number of municipalities to priorities in this initiative. Amathole District Municipality is among twenty-seven prioritised municipalities (nationally) that need support in meeting services delivery requirements of its customers. The water services are the most affected, noticeable and impactful amongst the many services provided by the municipality.

The reasons for the undesirable situation are equally many, and vary from underlying municipality to another, but the following cuts across municipalities of which ADM is not immune to this fact:

-) Some services are not functional, have collapsed or are unreliable due to neglect of maintenance and/or poor operational management at municipal level, amongst other causes.
-) In some areas, this infrastructure is proving to have low levels of sustainability with rapid decline in condition and failure well before the design life of the infrastructure is reached.

-) Based on the experience of the past 15 years of local government in these areas it is evident to MISA that what has been done to date to support municipalities has not been effective. It is argued that this is due to the fact that in prior initiatives the emphasis was invariably on support to only one sector or part of a sector of the municipality. The capacity of existing infrastructure is often insufficient and requires extension and /or ageing infrastructure requires replacement, and this has not been sufficiently prioritized for capital investment.
-) The difficulties and cost of investing in infrastructure in remote areas.
-) Insufficient funding to meet all the needs.

The overall objective is to ensure that sustainable municipal performance becomes embedded in all critical functional service areas of the municipality where the implications of failing service delivery are felt the greatest, areas such as Infrastructure, Customer Service, Billing and Finance, Governance, Water Security, etc., as opposed to mainly technical support which has been the traditional approach. Within this objective the Back to Basics Programme for Change principles are central with regards to getting the basics in place first, with regards to compliance and basic good administration, governance and institutional capacity and then progressing with improved performance towards best practice.

Once this turnaround has been embedded in the municipality and in the water supply services and sanitation services, and support and crosscutting organizational functions, it is hoped that the benefits will also flow through to other services that are also the responsibility of the municipality, albeit not in its capacity as a Water Services Authority. This Programme by MISA aims to support Amathole District Municipality in its water services infrastructure addressing and improving performance in the way Amathole District Municipality manages its business and discharges its responsibilities.

In pursuit of this objective, the Municipal Infrastructure Support Agent appointed Lidwala Consulting Engineers (Pty) Ltd as an implementing agent on behalf of MISA.

The broad project scope of work is to;

-)] Enhance performance in selected municipalities by appointing a contractor to support a municipality to turn itself around and improve its service delivery. In this case Amathole District Municipality being one of the Nationally Prioritised 27 District Municipalities.
-)] Provide management support to Amathole District municipality for a medium-term period to improve its operational performance in water supply and sanitation services: as well as support and crosscutting organisational functions related to water and sanitation services.

In order to meet these objectives, the following sets the project scope in phases.

- (1) **A Start-up Phase:** Lidwala will collect and analyse sufficient information to inform the turnaround strategy for the municipality. Essentially undertake a situational analysis.
- (2) **A Turnaround Strategy and Turnaround Action Plan and Approval Phase:** Lidwala will formulate the turnaround strategy and action plans for the municipality. This phase will result in the macro-change strategy and plan, in addition to micro-change plans for specific planned change interventions.

- (3) **An Implementation Phase:** The third phase comprises Lidwala supporting the municipality in implementation of the turnaround strategy and plans.

In summary, the primary objective of the Programme is to ensure that sustainable ADM performance in the areas of Infrastructure, Reliability of Infrastructure, Water Security and Water Governance is established and maintained by ADM. The secondary objectives of the Programme are to ensure sustainable performance in the support functions of finance, including infrastructure procurement and infrastructure financing and human resource management and organisation cross-functional focus areas.

In pursuit of service delivery to communities, it has emerged that some municipalities are not performing at their best level in this regards. To this point, MISA as an infrastructural support agent to local government in South Africa has identified a number of municipalities to prioritise in these initiatives. Amathole District Municipality is among twenty-seven prioritised municipalities (nationally) that need support in meeting services delivery requirements of its customers. The water services are the most affected, noticeable and impactful amongst the many services provided by the municipality.

PROGRESS TO DATE

Lidwala the service provider was introduced by MISA to Amathole District Municipality and is on site. The project has since been introduced to the entire ADM senior management. A number of engagement between Lidwala and ADM have taken place.

The Startup Report, which is the Phase 1 of the project:

- a) Identified and assessed information collected from various sources, including MISA, the municipality and DWS;
- b) Identified what needs to be done to improve performance;
- c) Identified suitable performance indicators and, where possible, baseline measurements and targets for these (as indicated in the Terms of Reference, some of the baseline measurement and target-setting will need to be done in phase 2 or phase 3 of the project)

The Start Up Phase report was approved through the Council structures after various consultation. In addition, a Project Steering Committee was held between MISA, ADM and Lidwala in order to assess the progress of the project and commencement to the next phase.

The second phase of the RMSC project involves the development of the Turnaround Plan including the action plans that need to be undertaken. The focus during the second phase was on unpacking the actions identified in the start-up report to address the key problems. This was done through a series of workshops with ADM officials as well as followup engagements with some officials and additional engagements with DWS officials.

Before being finalised, this second phase report was aligned with the 2018 Strategic Planning Resolutions Action Plan (short, medium and long). The 2018 Strategic Planning Action Plan is broader (covers more areas) than the action plan contained in this report, but it is important to align

the common focus areas so that ADM does not pursue two different turnaround strategies. The process of producing this report took the work which was done in the start-up phase further, by:

- a) Confirming the findings of the start-up report with a broader grouping of ADM management
- b) Confirming the key challenges and the actions required to address them that were identified in the start-up report
- c) Unpacking the actions, where necessary into sub-actions, and allocating roles, responsibilities and timeframes for addressing them.
- d) Confirming and improving the KPIs for the RMSC programme in ADM and setting targets for them where possible.

The Second phase report is attached as Annexure “A”.

STAFF IMPLICATIONS

There are no staff implications.

FINANCIAL IMPLICATIONS

There are no financial implications for ADM as the project is fully funded by MISA.

OTHER PARTIES CONSULTED

MISA
LIDWALA

ATTACHMENTS

Annexure ‘A’ Second Phase report on Regional Management Support Services.

RECOMMENDATION

That Council approve the Final Startup Report on Regional Management Support Services provided by MISA.



Municipal Infrastructure Support Agent (MISA)

**Cooperative Governance & Traditional Affairs
(CoGTA)**

REPUBLIC OF SOUTH AFRICA

REGIONAL MANAGEMENT SUPPORT CONTRACTOR (RMSC) PROGRAMME

AMATHOLE DISTRICT MUNICIPALITY

SECOND PHASE REPORT

Turnaround Strategy and Turnaround Action Plan

Lidwala Consulting Engineers

Fifth draft 28 April 2018

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Abbreviations, Acronyms and Definitions

ADM	Amathole District Municipality
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BSC	Bid Specification Committee
BtB	Back to Basics
CoGTA	Cooperative Governance and Traditional Affairs
DM	District Municipality
DWS	Department of Water and Sanitation
GIS	Geographic Information System
IDP	Integrated Development Plan
LM	Local Municipality
KPA	Key Performance Area
KPI	Key Performance Indicator
MM	Municipal Manager
MTEF	Mid-Term Expenditure Framework
MuSSA	Municipal Strategic Self-Assessment
MISA	Municipal Infrastructure Support Agent
MPAP	Municipal Priority Action Plan
PAC	Performance Audit Committee
PSP	Professional Service Provider
RMCSPP	Regional Management Contractor Support Programme
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SIPDM	Standard for Infrastructure Planning and Delivery Management
WSDP	Water Services Development Plan
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works
Access to Water	A reliable supply of 25 litres of potable water per person per day (6kl per household per month) within 200m of the household. At a minimum flow rate of 10 litres per minute. Water should be available on a daily basis (RDP, 1994)
MTSF Target	To increase access to reliable water supply to 90% of households by 2019, from 65% in 2014 (The Presidency)
Reliable supply of water	As Determined by Department of Water and Sanitation's "reliability index", which considers the total water services business and not only infrastructure related solutions
Underserved	There is a need for extension of existing water infrastructure in an existing scheme
Unserved	Absence of any formal water infrastructure
Water Supply Goal	All people in South Africa to have access to reliable, sustainable, safe and affordable water services (Cabinet 2014)

Executive Summary

This report is the main deliverable for the second phase of the RMSC programme in Amathole District Municipality. i.e. the turnaround strategy and turnaround action plan phase. It follows the start-up report phase, which was completed in February 2018.

The start-up report:

- a) Identified and assessed information collected from various sources, including MISA, the municipality and DWS;
- b) Identified what needs to be done to improve performance;
- c) Identified suitable performance indicators and, where possible, baseline measurements and targets for these (as indicated in the Terms of Reference, some of the baseline measurement and target-setting will need to be done in phase 2 or phase 3 of the project)
- d) Identified the areas where the contractor needs to provide support to the municipality.

The start-up report formed the starting point for the second phase. The focus during the second phase was on unpacking the actions identified in the start-up report to address the key problems. This was done through a series of workshops with ADM officials as well as follow-up engagements with some officials and additional engagements with DWS officials.

Before being finalised, this second phase report was aligned with the 2018 Strategic Planning Resolutions Action Plan (short, medium and long) which resulted from the recent management strategic planning session held by ADM officials. The 2018 Strategic Planning Action Plan is broader (covers more areas) than the action plan contained in this report, but it is important to align the common focus areas of the two so that ADM does not pursue two different turnaround strategies.

The start-up report that was produced for ADM went some way to meeting the requirements for the second phase report, in that it identified the key challenges and gave each problem context and relevance, as well as indicating its importance, and identified actions to address the key challenges. The process of producing this report took the work which was done in the start-up phase further, by:

- a) Confirming the findings of the start-up report with a broader grouping of ADM management
- b) Confirming the key challenges and the actions required to address them that were identified in the start-up report
- c) Unpacking the actions, where necessary into sub-actions, and allocating roles, responsibilities and timeframes for addressing them.
- d) Confirming and improving the KPIs for the RMSC programme in ADM and setting targets for them where possible.

1. Introduction and Background

1.1 Background to the Regional Management Contractor Support Programme (RMCSPP)

The Terms of Reference for the Appointment of a Contractor for Regional Management Support Services to Amathole District Municipality (ADM) in the Eastern Cape Province provided the following background to the RMCSPP.

To address the poor performance in many municipalities, and because the fragmented support provided to municipalities in the past has not proven to be effective, in 2015 the Municipal Infrastructure Support Agency (MISA) prepared a business plan (Implementation of Regional Management Support Contracts (DCOG, 2015)). This plan proposed an alternative management support model entailing the appointment of a contractor to support a municipality to turn itself around and improve its service delivery.

A contractor would be appointed for the municipality and will be called a Regional Management Support Contractor (RMSC). Forms of management support have been used effectively throughout the world as a way of bringing in expertise for a medium-term period to improve the operational performance of organisations responsible for service delivery. This is done in such a way that the organization being supported retains its authority over service delivery and ownership of systems and infrastructure while operational competence is enhanced. The intention of the RMS initiative is to bring about institutional change through improved management systems and basic management processes in the targeted municipality so that the municipality will 'turn around' and become more effective in its service delivery to the public.

The initial focus is on water supply services and sanitation services, as this is where the implications of failing service delivery are greatest. The objective is to ensure that sustainable municipal performance becomes embedded in the areas of infrastructure, reliability of infrastructure, water security and water governance, aiming towards a minimum of 90% reliable water services by 2019. DWS is leading a Five-Year Water Services Delivery Programme Intervention to improve water service delivery.

The RMSC project is an intervention by MISA which is being implemented in collaboration with DWS. The assumption is that once this turnaround has been embedded in the water supply services and sanitation services (hereinafter abbreviated "water services"), the benefits will also flow through to other services which are also the responsibility of the municipality, albeit not in its capacity as a Water Services Authority.

The RMSC initiative is essentially a change management programme, aimed at addressing the causes of poor performance by changing the way the municipality manages its business and discharges its responsibilities. This course has been chosen in preference to only addressing the symptoms, for example providing technical (engineering) inputs to accelerate implementation of water and sanitation projects without the necessary measures in place for proper operation and maintenance of such projects, and without the support of functioning non-technical systems, such as systems for the collection of revenue.

The broad purpose of the intervention through the RMSC project is to empower the targeted municipality to deliver services more effectively. This will be achieved through a range of support interventions to the municipality, designed to (amongst others):

- a. assist in managing the processes that are necessary to improve performance;
- b. build capacity in such a way that, in the case of water services delivery, the municipality fully adopts and implements its roles and responsibilities as a Water Services Authority;
- c. manage the change process;
- d. sustain the improved performance beyond the contract term; and
- e. monitor and evaluate its own performance and use the findings to direct further improvement measures.

In short, the objective is to support the municipality to turn itself around.

1.2 Scope of work

The Terms of Reference for the project defines the scope of work as follows.

Project phases

The RMS project will consist of three phases:

- a. Start-up Phase: The contractor will need to collect and analyze sufficient information to inform the turnaround strategy for the municipality. To assist the contractor in this regard, MISA will prepare a pack of water services related information about the Municipality, which will be a compilation of relevant aspects and findings from numerous documents, assessments, plans and initiatives related to water services in the municipality, including:
 - The latest available Water Services Development Plan
 - The latest available Water and Sanitation Master Plan
 - Water services planning, implementation and monitoring documentation from DWS
 - MISA Project Management Office reports and documentation prepared by MISA
 - The Municipal Strategic Services Self-Assessment (MuSSA) designed by Department of Water and Sanitation
 - The Back to Basics initiative of the Department of Co-operative Governance & Traditional Affairs.

The information provided is not intended to replace the start-up efforts of the contractor nor is it meant to be conclusive in every respect. The onus lies with the contractor to verify and supplement the information therein to enable a comprehensive turnaround strategy to be developed in the next phase.

This phase has been concluded by MISA, the municipality and the contractor agreeing on the completeness of the start-up phase, key performance indicators (KPIs), target deliverables and other conditions appropriate to the municipality.

- b. Turnaround Strategy and Turnaround Action Plan Design and Approval Phase: The contractor will formulate the turnaround strategy and action plans for the municipality. This will need to be discussed with MISA and the municipality, and each strategy finalized and approved by MISA and the municipality. This report covers this phase.
- c. Implementation Phase: The third phase comprises the contractor supporting the municipality in implementation of the turnaround strategy.

Responsibilities of the contractor

The contractor must inter alia:

- a. Guide municipal officials to adopt and implement good management practices
- b. Improve:
 - i. the capacity of the officials of the municipality, and
 - ii. the structure, purpose and performance of the systems of the municipality, while at the same time
 - iii. enabling the officials to continue to perform the tasks normally assigned to them, but steadily improving their ability.
- c. Bring about this improvement by means of a range of supportive measures, including (but not restricted to) figuratively hand-holding officials, working with officials to design improved practice, helping officials to introduce this good practice to the municipal workplace, and helping officials to develop processes and systems and then to introduce them. (It is appreciated that many officials will have long been aware of the need for improvement, but, for various reasons, they have not been able to identify, let alone implement, the improvements. The support of the contractor will, it is anticipated, create the opportunities.)
- d. Improve the service delivery capacity of the municipality, achieving targets which will be identified at the end of the Start-up phase of the project. These could include engineering parameters such as 24/7 water supply to agreed quality, flow rates, pressures etc. and with agreed responses to incidents (e.g. service delivery interruption) but also non-engineering parameters which have an impact on service delivery, for example:
 - i. improved financial management, including improved billing and revenue collection;
 - ii. filling of posts/recruitment/retention, and improved performance of officials;
 - iii. improved governance and administration;
 - iv. improved supply chain management; and
 - v. improved infrastructure asset management.
- e. Targets for the contractor will be framed in these or similar terms, to be agreed at the end of the Start-up phase.

Limits to the responsibilities of the contractor

The contractor will be appointed only to advise and support, and not to do the work of the municipality. The contractor will not be responsible for supplying any of the resources of the municipality, e.g. staff, funding, systems. It will however be the responsibility of the contractor to advise the municipality where and how it may supplement its resources where specifically needed for performance of the turnaround strategy and service delivery improvement. Depending on the resources needed, many options for accessing the necessary resources may present themselves. For example, the DBSA or private sector could be approached. Also, if persons with engineering competence are required for short-term part-time secondment, MISA has a programme which could assist.

1.3 Turnaround Strategy and Turnaround Action Plan Design and Approval Phase

This report is for the second phase of the RMSC programme in Amathole District Municipality, i.e. the turnaround strategy and turnaround action plan phase. It follows the start-up report phase, which was completed in February 2018.

The start-up report in turn built on an inception report, project implementation plan and desk-top study which were undertaken during the start-up phase. The start-up report:

- e) Identified and assessed information collected from various sources, including MISA, the municipality and DWS;
- f) Identified what needs to be done to improve performance;
- g) Identified suitable performance indicators and, where possible, baseline measurements and targets for these (as indicated in the Terms of Reference, some of the baseline measurement and target-setting will need to be done in phase 2 or phase 3 of the project)
- h) Identified the areas where the contractor needs to provide support to the municipality.

The Terms of Reference for the RMSC project indicates that the main purpose of the start-up phase was to identify what needs to be done to improve performance and the areas where the contractor will provide support in the following phases of the project. The Terms of Reference requires that the '20-80' Pareto Rule be applied in this regard, i.e. that the focus should be on the 20% of the problem areas which, if addressed, will result in 80% of the potential improvements. The start-up report was therefore deliberately not comprehensive in identifying and addressing all the problems in the municipality. The start-up report covered the full range of management areas and processes that impact on water and sanitation services, and not just the engineering/technical/project management aspects.

The start-up report formed the starting point for the second phase. The focus during the second phase was on unpacking the actions identified in the start-up report to address the key problems. This was done through a series of workshops with ADM officials as well as follow-up engagements with some officials and additional engagements with DWS officials.

Before being finalised, this second phase report will be aligned with the 2018 Strategic Planning Resolutions Action Plan (short, medium and long) which resulted from the recent management strategic planning session held by ADM officials. The 2018 Strategic Planning Action Plan is broader (covers more areas) than the action plan contained in this report, but it is important to align the common focus areas of the two so that ADM does not pursue two different turnaround strategies.

As indicated in section 1.2 above, in the Turnaround Strategy and Turnaround Action Plan Design and Approval Phase the contractor should formulate the turnaround strategy and action plans for the municipality. This will need to be discussed with MISA and the municipality, and each strategy finalized and approved by MISA and the municipality.

In addition, the Terms of Reference provide the following requirements for the second phase report:

- a) The turnaround strategy and action plan should constitute an essential roadmap to addressing the problems identified in the start-up stage by giving each problem context and relevance, indicating importance, and outlining an action plan to address challenges constructively and sustainably. With active participation by the municipality

in the development of this strategy and action plan, it becomes an important lever for sustained implementation of the changes designed to improve performance.

- b) The strategy and action plan will need to focus on those strategically selected areas that will create maximum impact with respect to improvement.
- c) The strategy and action plan will need to address not just infrastructure-related indicators such as a reduction in water losses and improvement in the reliability of infrastructure but must also address the factors that could lie behind poor performance. In other words, the strategy must address what the root cause analysis in the start-up report would need to have discovered. (For example, if a particular type of pump is chronically unreliable, this can be ascribed to inappropriate choice of technology, the age of the pumps, poor operation, lack of maintenance, overloading and other factors. The strategy must address the root causes: for example - the supply chain management process, staff recruitment (and retention and training) policies, the process whereby budgets are determined (e.g. how Equitable Share funding is distributed, and is sufficient funding allocated to infrastructure maintenance, revenue collection and more.)
- d) The strategy and action plan for each municipality must be approved by both MISA and the municipality before implementation can proceed.

The start-up report that was produced for ADM went some way to meeting the requirements for the second phase report, in that it identified the key challenges and gave each problem context and relevance, as well as indicating its importance, and identified actions to address the key challenges. This process of producing this report took the work which was done in the start-up phase further, by:

- e) Confirming the findings of the start-up report with a broader grouping of ADM management
- f) Confirming the key challenges and the actions required to address them that were identified in the start-up report
- g) Unpacking the actions, where necessary into sub-actions, and allocating roles, responsibilities and timeframes for addressing them.

2. Key challenges and actions to address them identified in the start-up report

A summary of the key challenges and actions to address them is provided in the tables from the start-up report below. As mentioned above, the start-up report contains descriptions of the context and relevant of these challenges and actions, and these descriptions are not repeated in this report.

No	Problem	Change actions
1.1	Weaknesses in planning for water and sanitation services	Produce a revise WSDP using the DWS WSDP system
1.2		Staff in ADM need to engage in detail with the consultants appointed by DWS to develop the new Reliability Plan and ADM needs to take ownership of the new Reliability Plan
1.3		Align IDP, SDBIP, WSDP and Reliability Plan
1.4		Complete and update infrastructure asset register
1.5		Align policies related to property, plant and equipment to GRAP 17

No	Problem	Change actions
1.6		Plan to carry out condition assessments
1.7		Put in place comprehensive asset management plan
2.1	Weaknesses with implementation and operation of water and sanitation services, including monitoring and reporting	Comprehensive review of all the existing SOPs related to water and sanitation services
2.2		Put in place SOPs where they are lacking or put in place improved SOPs where they are weak
2.3		On-the-job training of workers, supervisors and managers on the implementation of the SOPs
2.4		Put in place technical manuals where they are lacking
3.1	Poor information on water losses	Quantify the system input volume by installing bulk meters where necessary
3.2		Increase the accuracy of measurement of water delivered to customers by installing, repairing, or servicing meters where necessary (also addresses problem 4 below)
4.1	Expenditure exceeds income	Put in place plan to reduce operational costs
4.2		Increase water and sanitation tariffs to at least cost-reflective levels
4.3		Limit free basic water supply to 6 kl per household
4.4		Improve the management information systems supporting billing and hence improve the completeness and accuracy of billing
4.5		Put in place SOPs for billing and credit control
5.1	Weaknesses in revenue collection	Institute compulsory debit orders for defaulting domestic debtors
5.2		Implement water restrictions to non-paying commercial and government users and companies
5.3		Implement a vigorous awareness campaign to educate all consumers of their obligations to pay timeously. Ensure all municipal officials and councillors have paid up
5.4		Put in place SOPs for dealing with debtors
5.5		Increase staff competency and capability in the Revenue and Collections department
5.6		Identify and act on illegal connections
5.7		Improve analytics on water usage (i.e. reconciliation of bulk water purchased/supplied with water consumed on a customer type and cost volume matrix)
5.8		Improve communications with LMs and communities
5.9		Improve indigent management
6.1	Weaknesses in infrastructure SCM	Develop and implement an infrastructure procurement strategy
6.2		Appoint and train dedicated bid committees for infrastructure procurement

No	Problem	Change actions
6.3		Put in place SOPs for payment of suppliers within 30 days and related monitoring and intervention system
6.4		Review roles and responsibilities of the SCM section
6.5		Put in place measures to ensure that bid committees sit frequently enough
6.6		Put in place SOPs for planning and procurement
6.7		Put in place SOPs for checking tender documentation and bid documentation to ensure that they are compliant with the regulatory frameworks
6.8		Put in place SOPs for contract management
6.9		Put in place SOP for tracking time taken to process tenders
7.1	Unaffordable and inappropriate organisational structure	Approve revised organogram
7.2		Freeze filling of administrative and other non-core posts on the current organogram
7.3		Carry out a skills audit to match employees to the positions on the new organogram
7.4		Migrate staff from the old organogram to the new one and fill vacancies remaining after the migration process
7.5		Put in place a voluntary severance package mechanism to enable both early retirement and exiting of staff in excess of requirements
7.6		Put in place up-to date role profiles and job descriptions
7.7		Assess technical capability of staff and specialists and behavioral competence of management and leadership and putting in place plans for training and support to address the identified weaknesses
7.8		Draw up and sign performance contracts reflecting the revised role profiles
7.9		Reduce head office leased space
7.10		Improve implementation of performance management system
7.11		Improve leave management
7.12		Review policies for cell-phones, 3-G cards and car allowances
8.1	Weaknesses in HR management	Improve information management in the HRM department, firstly using the current manual processes, then through SAP
8.2		HRM department to become more strategic (and not just transactional)

3. Turnaround Strategy

As described in the start-up report, ADM is in a dire financial situation, which is unsustainable and deteriorating. In the workshop with the finance officials to produce this report, it was indicated that ADM might be in such a dire financial situation by July 2018 that it might not be able to pay salaries.

Again, as explained in the start-up report, this financial situation is a result of its operational expenses exceeding its operational income by a wide margin. This has not always been the case. In the workshops for this stage of the programme, the finance officials indicated that, several years ago, ADM had reserves of R700 million and was earning an operational surplus.

However, due to a range of factors, particularly a large increase in personnel expenditure, tariffs which are increasingly less cost-reflective, a possible increase in water losses and challenges with the implementation of SAP which has resulted in difficulties with billing, for the last few years the municipality has been running at a substantial operational deficit, which it has been funding from its reserves for the last few years. The reserves are now depleted.

As described in the start-up report, the financial constraints in ADM have resulted in very little being spent on operation maintenance (i.e. maintenance that cannot be capitalised). This is having an impact on service delivery. It is resulting in problems such as increased water losses, rapid deterioration in the condition of infrastructure and an inability to take required actions such as installing and repairing water meters. It has even resulted in an inability to provide the required equipment to test the quality of water in the water treated works. In addition, this means that it is impossible for the municipality to budget adequately for the maintenance required on new infrastructure being funded from infrastructure grants.

The severity of the financial situation in ADM came to the fore during this stage of the programme. ADM needs to address its financial sustainability as a matter of urgency to avert a crisis whereby it is unable to meet its commitments. In terms of the MFMA, “the primary responsibility to avoid, identify and resolve financial problems rests with the municipality itself” (S135 (1) MFMA). ADM needs to reduce expenditure and increase revenues to address its dire financial situation. However, funding is required to address many of the actions required to do this, such as funding for procurement and implementation of water meters to improve accuracy of billings and collections, re-implementation of the SAP ERP system to address immediate essential information requirements for billings, collections and costings and potential restructuring costs relating to staff establishment optimisation. This funding is currently not available. Getting ADM out of its current situation may therefore require an injection of funding, which could happen with an appropriate intervention in accordance with options available in Chapter 13 of the MFMA – “Resolution of Financial Problems Chapter”.

In terms of this Section 135(3) of this chapter of the MFMA, if a municipality encounters a serious financial problem or anticipates problems in meeting its financial commitments, it must immediately -

- (a) seek solutions for the problem;
 - (b) notify the MEC for local government and the MEC for finance in the province;
- and
- (c) notify organised local government.

Section 139 of the MFMA further states that:

(1) If a municipality, as a result of a crisis in its financial affairs, is in serious persistent material breach of its obligations to provide basic services or to meet its financial commitments, or admits that it is unable to meet its obligations or financial commitments, the provincial executive must promptly—

- (a) request the Municipal Financial Recovery Service—
 - (i) to determine the reasons for the crisis in its financial affairs;
 - (ii) to assess the municipality’s financial state;
 - (iii) to prepare an appropriate recovery plan for the municipality;

(iv) to recommend appropriate changes to the municipality's budget and revenue-raising measures that will give effect to the recovery plan; and

(v) to submit to the MEC for finance in the province—

(aa) the determination and assessment referred to in subparagraphs (i)

and (ii) as a matter of urgency; and

(bb) the recovery plan and recommendations referred to in subparagraphs

(iii) and (iv) within a period, not to exceed 90 days,

determined by the MEC for finance; and

(b) consult the mayor of the municipality to obtain the municipality's cooperation

in implementing the recovery plan, including the approval of a

budget and legislative measures giving effect to the recovery plan.

(2) The MEC for finance in the province must submit a copy of any request in terms of subsection (1)(a) and of any determination and assessment received in terms of subsection (1)(a)(v)(aa) to—

(a) the municipality;

(b) the Cabinet member responsible for local government; and

(c) the Minister.

(3) An intervention referred to in subsection (1) supersedes any discretionary provincial intervention referred to in section 137, provided that any financial recovery plan prepared for the discretionary intervention must continue until replaced by a recovery plan for the mandatory intervention.

Consequently, the first step in the implementation phase of the RMSC programme in ADM will involve carrying out a thorough analysis of the approved budget and projected income for 2018/19 to determine whether it is likely that ADM will renege on its financial commitments. If this is the likely case, the RMSC contractor would recommend to the Municipal Manager that ADM follows the requirements of Chapter 13 of the MFMA as described above. Thereafter the RMSC contractor will provide support for the development and implementation of a financial recovery plan in terms of the MFMA.

Another major challenge which came to the fore during this phase of the programme is weaknesses with the implementation of SAP. ADM has attempted to implement SAP with a budget that is too small and there have been problems with the performance of the service provider. This has resulted in a situation where several components of the ERP system in ADM are not functional or are not functioning properly. For example, ADM has not been able to produce billing and age analysis reports for the last 4 months which are critical for ensuring completeness and accuracy of billing as well as collections.

As discussed in the start-up report, other contributing factors to the high operational expenditure relative to operational revenues include:

a) Revenue is growing at a rate which is half that of operating expenditure (8% operating

- revenue growth rate, compared to 16% operating expenditure growth rate)
- b) High water losses and non-revenue water (the exact figures are difficult to quantify reliably due to a lack of meters but DWS estimate water losses in ADM to be in the region of 48% and non-revenue water to be in the region of 52%)
- c) Over-supply of free basic water
- d) Not billing all the customers who should be billed
- e) Not billing the correct amounts
- f) Not ensuring that outstanding bills are paid (weak debt collection).

In addition, there are increasing problems with water quality and the quality of effluent from the waste-water treatment plants, which are partly due to financial constraints making it not possible to purchase the required testing equipment or to hire the required process controllers for the water and waste-water works.

The underlying causes of these challenges cut across the organisation, including the HR department (high personnel expenditure and shortages of skilled staff); finance (billing and revenue collection problems, tariffs which are not cost-reflective and problems with the implementation of SAP; and engineering (over-supply of free-basic water, water losses).

These problems are also inter-related. For example, over-supply of free basic water and water losses lead to a loss in revenue, and high personnel expenditure is a major contributor to high operational expenditure.

In this context, the turnaround strategy is to address the main problems and their causes simultaneously. Improvements in one area will not achieve results unless there are also improvements in other areas. For example, improvements in revenue collection and billing will not solve the financial situation if there are not also reductions in personnel expenditure and water losses and increases in tariffs.

The turnaround strategy also assumes that, due to the severity of the current situation, all possible cost-reduction measures and revenue-increasing measures are going to have to be pursued simultaneously to turn the municipality around. As will be indicated in the following section below, one of the first priorities in the implementation phase will be to carry out a scenario analysis to determine the potential savings from each of the range of cost-reduction and revenue-increasing measures. It will be necessary to carry out a scenario analysis because assumptions will need to be made where data is lacking. For example, data is lacking on the exact extent of water losses, due to a lack of meters in some parts of the water distribution system. In such cases, the scenario analysis will assume low, medium and high values for the unknown variables, to produce low, medium and high estimates of the potential reduction in expenditure or increase in revenue which could result from the various interventions. Once this scenario analysis has been done, more emphasis will be put on implementing the measures which will have the most impact on the operational loss.

An additional challenge that emerged during the current stage of the programme is a lack of political willingness to implement some of the tough decisions which are required to turn around the municipality from its current dire financial situation. For example, as will be indicated in the following section, the municipal officials proposed a substantial increase in water and sanitation tariffs, but this was rejected by Council. This issue needs to be highlighted with COGTA and may require political intervention by the Minister or Deputy Minister. Alternatively, it could be addressed if the municipality is put under administration and the Council is dissolved.

The municipality has developed a new organogram, which is due to be approved by Council in May. The RMSC has some strong concerns about the new organogram, primarily that:

- a) The new organogram only results in a 13% reduction in the number of posts, which is not sufficient given the severe financial situation in ADM
- b) The new organogram is based on a highly decentralised model with the creation of three regional offices. All the staff in the regional offices will have reporting lines to the regional managers, and no reporting lines to the functional heads at head office. This will effectively disempower the functional heads at head office.
- c) There is a lack of clarity between the main functions and strategic objectives of the municipality and its revised organogram.

One of the priorities of the RMSC contractor in the implementation phase will be to discuss these concerns with the municipality with a view to trying to resolve them.

4. Turnaround Action Plan

The plans to implement the actions to address the key challenges identified in the start-up report are provided in the tables below. The process of producing this action plan resulted in the identification of some additional actions. ADM has already started to implement some of the actions, and in some cases has appointed other consultants to assist with implementation. ADM is responsible for implementing all the actions. Those actions where the Regional Management Support contractor will play a role in supporting, advising, facilitating, monitoring and training roles are indicated in the tables. Where the RMSC contractor plays these roles, it will do so in conjunction with the relevant ADM officials, with the aim of ensuring ownership of the changes by the officials. Where funding for the actions in the tables below can be capitalized, they should be prioritized for funding from the infrastructure grants provided by national government (such as installation of meters for example).

4.1 Water and sanitation services

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	Still to be done	Support from RMSC contractor	Timeframes
1	1.1	Weak planning for water and sanitation services	Produce a revised WSDP using the DWS WSDP system	Produce WSDP	ADM has started to collect information for WSDP	Complete WSDP using DWS system	RMSC contractor to facilitate, support and advise	End June 2018
	1.2			Carry out backlog study	ADM is underway by consultant appointed by ADM	Complete backlog study	RMSC contractor to monitor	To completion date of contract between ADM and consultant
	1.3			Develop SOP for producing WSDP	Not in place	Put SOP in place	RMSC contractor to facilitate, support and advise	End May 2018
2			Develop ground water and borehole management plan	Develop and implement plan	Not in place	Develop and implement plan	RMSC contractor to facilitate, support and advise	Develop plan by end December 2018. Implementation until end of RMSC contract

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	Still to be done	Support from RMSC contractor	Timeframes
3	3.1		Staff in ADM need to engage in detail with the consultants appointed by DWS to develop the new Reliability Plan and ADM needs to take ownership of the new Reliability Plan	Produce reliability plan	Draft reliability plan completed – UWP appointed by DWS	Complete reliability plan	RMSC contractor to monitor and participate in steering committee meetings and comment on drafts	End June 2018
	3.2			Arrange meeting between UWP, DWS, ADM and RMSC contractor to ensure collaboration and cooperation on reliability plan	Initial meeting held but DWS was not present	Arrange meeting ASAP	RMSC contractor to engage with DWS to arrange meeting	12 April 2018
4			Align IDP, SDBIP, WSDP and Reliability Plan	Align plans	Plans not yet aligned	Align plans	RMSC contractor to support and advise	End June 2018

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	Still to be done	Support from RMSC contractor	Timeframes
5			Complete infrastructure asset register	Complete asset register	ADM has been working on improving its asset management data on the asset register, but it is still incomplete. Even though the asset register is 80% complete, there are gaps.	MISA to respond to ADM request for additional support to complete asset management system. Dedicated resource is needed to work on the asset register.	RMSC contractor to sub-contract additional support	Dependent on MISA response
6	6.1		Plan to carry out condition assessments of water and sanitation infrastructure (wwtw, wtw, pump stations, pipe lines and reservoirs)	Carry out condition assessments	Condition assessments not currently being carried out	Condition assessments to be planned and carried out. Dependent on funding	RMSC contractor to support and advise	End May 2019
	6.2			Use condition assessments to inform maintenance plans	Currently not being done	Condition assessments to be captured on asset register and used to inform maintenance plans	RMSC contractor to support and advise	End May 2019
7			Put in place comprehensive asset management plan		Reactive maintenance being carried out	Develop proactive routine and preventative maintenance plans	RMSC contractor to facilitate, support and advise	End May 2019
8		Weaknesses with implementation and operation	Comprehensive review of all the existing SOPs related to water and sanitation services		Very few operational SOPs in place	Identify SOPs that are there	Yes	End June 2018

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	Still to be done	Support from RMSC contractor	Timeframes
9		of water and sanitation services, including monitoring and reporting	Put in place SOPs where they are lacking or put in place improved SOPs where they are weak		Very few operational SOPs in place	Put in place comprehensive range of efficient and effective operational SOPs	RMSC contractor to facilitate, support and advise	End December 2018
10	10.1		On-the-job training of workers, supervisors and managers on the implementation of the SOPs	Train work-teams, supervisors and managers on SOPs	Very few operational SOPs in place	Carry out training of supervisors, managers and work teams to implement SOPs	Yes	End March 2019
	10.2			Regularly monitor implementation of SOPs	Very few operational SOPs in place	Figuratively 'hand-hold' work-teams, supervisors and managers to implement SOPs	Yes	Until end of RMSC contract
11	11.1		Put in place technical manuals where they are lacking	Identify which technical manuals are required	Technical manuals largely lacking	Identify where technical manuals are lacking	Yes	End June 2018
	11.2			Develop missing technical manuals	Technical manuals largely lacking	Develop technical manuals	Yes	End October 2018
	11.3			Train relevant work-teams, supervisors and managers on technical manuals	Technical manuals largely lacking	Train work-teams, supervisors and managers	Yes	End February 2019
	11.4			Regularly monitor implementation of SOPs	SOPS largely not yet in place	Figuratively 'hand-hold' work-teams, supervisors and managers to implement SOPs	Yes	Until end of RMSC contract

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	Still to be done	Support from RMSC contractor	Timeframes
12	12.1		Improve management of water use	Improve by-law enforcement related to water, including addressing illegal connections	By-law enforcement is weak	Develop and implement plan to improve by-law enforcement	RMSC contractor to support and advise	End August 2018
	12.2			Improve assessment of developer proposals	Also weak	Improve assessments	RMSC contractor to support and advise	End August 2018, dependent on capacity being put in place
	12.3			Improve assessment of capacity of system to supply new developments	No capacity to do this currently	Improve assessments	RMSC contractor to support and advise	End August 2018, dependent on capacity being put in place
	12.4			Improve analytics on water usage (i.e. reconciliation of bulk water purchased/supplied with water consumed on a customer type and cost volume matrix)	Inadequate analytics	Improve analytics and use of analytics to inform planning (capital and maintenance)	Yes	Progressively as metering improves

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	Still to be done	Support from RMSC contractor	Timeframes
	12.5			Engineering Department to implement all requests from Finance Department to restrict / cut-off water supply to serial debtors.	Engineering Department not currently implementing all requests	SOPs to be put in place for implementing requests and monitored.	RMSC contractor to facilitate, support and advise	July 2018 for SOP, monitoring until end of RMSC contract
13	13.1	Poor information on water losses	Overall quantification of input and output volumes to be able to determine total losses and to reduce them	Install required meters	Some Inflow and outflow meters in place at WTW but some may be lacking, and maintenance of meters is a problem due to lack of funds. Measurement of inflow and outflow to communal standpipes incomplete due to lack of meters.	Put in place required meters. (Depends on availability of funding)	RMSC contractor to monitor and advise	Target end 2018/19 financial year, depending on funding being available.
	13.2			Calculate total losses	Not done accurately, although various estimates are in place, ranging from 20% to 48%	Accurately calculate total losses based on measurement of all input and output volumes	RMSC contractor to monitor and advise	End of 2018/2019 financial year (requires installation of meters – 12.1 above)

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	Still to be done	Support from RMSC contractor	Timeframes
	13.3			Identify areas of largest losses and focus on actions to reduce losses in these areas	Currently done on basis of estimates of where largest losses are. For example, an internal household reticulation loss reduction programme (such as repairing leaking taps) has been implemented. Project to reduce illegal connections in areas supplied directly by regional Amatola Water Board being implemented. (Following threats by the Board to cut off supply if ADM does not pay bills)	Identify major areas of water losses to focus on. Implementation of actions to address losses depends on availability of funding.	RMSC contractor to monitor and advise.	End of 2018/2019 financial year (requires installation of meters – 12.1 above)
	13.4			Develop and implement water conservation and demand plan	Plan is currently being drafted internally by ADM officials	Complete plan	RMSC contractor to facilitate, support and advise	End June 2018 to develop plan. Support for implementation to end of RMSC contract.

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	Still to be done	Support from RMSC contractor	Timeframes
	13.5			Develop and implement plan for meter management and meter data management	Not in place	Produce plan	RMSC contractor to facilitate, support and advise	Plan by end July 2018. Implementation for remainder of RMSC contract.
14	14.1		Meet requirements for Blue and Green Drop accreditation	Develop plan for meeting requirements	Not in place	Develop plan	RMSC contractor to facilitate, support and advise	End June 2018
	14.2			Implement plan	Not being done	Implement plan	RMSC contractor to facilitate, support and advise	To remainder of RMSC contract
15			Increase the accuracy of measurement of water delivered to customers by installing, repairing, or servicing meters where necessary (also contributes to addressing revenue collection challenges)	Install, repair, or service meters where necessary	Meters are missing in some areas. Zoning meters are in place, but they are not read due to a shortage of skilled staff to do this.	Install water meters at all delivery points. Dependent on funding. Ensure that meters are read.	RMSC contractor to monitor and advise	End 2018/2019 financial year

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	Still to be done	Support from RMSC contractor	Timeframes
16	16.1	Poor project management systems and capability	Improve project management systems and capability	Put in place an improved project management system, that will also add value to implementation of SIPDM	Work in progress	All sub-actions	RMSC contractor to facilitate, support and advise	May 2019
	16.2			Capability assessment of project managers				
	16.3			Capacity building initiatives for project management staff				
17	17.1	Data and information management systems	Improve institutional data and information management (especially for infrastructure related information)	Assess current systems and practices	Nil	All sub-actions	RMSC contractor to facilitate, support and advise	May 2019
	17.2			Put in place suitable information management system				

4.2 Financial management and supply chain management

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	Still to be done	Support from RMSC contractor	Timeframes
1.		Risk of ADM not being able to meet its financial obligations during 2018/19 and therefore being in contravention of the MFMA.	Carry out a thorough analysis of the approved budget and projected income for 2018/19 to determine whether it is likely that ADM will renege on its financial commitments		None	Analysis has not yet been done	RMSC contractor to carry out analysis in collaboration with finance officials in the city.	End June 2018
2	2.1	Expenditure exceeds income	Put in place comprehensive plan to reduce costs and increase revenue, including leak reduction, reduction in personnel costs, increase in tariffs, improvements in billing and revenue collection, compulsory debit orders for serial defaulters, restrict or cut off supply for serial defaulters. Plan to include decisions	Scenario analysis	ADM finance officials have done some initial work on this, but it is not complete. Internal circular issued to curtail certain kinds of expenditure. Municipal Manager has requested finance officials to develop a five-year financial plan.	Complete scenario analysis	RMSC contractor to facilitate, support and advise	End June 2018
	2.2			Submit plan to Council for approval	None	Submit plan	RMSC contractor to support and advise	End September 2018

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	Still to be done	Support from RMSC contractor	Timeframes
	2.3		required by Council. Plan should include key ratios for which there are Treasury guidelines, such as % of budget allocated to personnel.	Focus on areas which have most impact on addressing deficit, based on scenario analysis	None	Implement results of scenario analysis	RMSC contractor to support and advise	To end of RMSC contract
3			Increase water and sanitation tariffs to at least cost-reflective levels		Officials made recommendation to Council for substantial increase in tariffs, but this was rejected by Council	Escalate rejection of increased tariffs by Council to Minister / Deputy Minister of COGTA.	RMSC contractor to work with MISA on the escalation	ASAP – before end May 2018
4			Limit free basic water supply to 6 kl per household		Policy has been drafted to convert communal standpipes to household connections which can be metered.	Complete policy and submit to Council. Conversion depends on availability of funding. Implement water restriction devices to limit flow to 6 kl per household.	RMSC contractor to support and advise.	Policy to Council by end July 2018. Restriction devices in place within 2 financial years

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	Still to be done	Support from RMSC contractor	Timeframes
5			Improve the management information systems and database supporting billing and hence improve the completeness and accuracy of billing		Consultants were appointed by ADM to improve billing, but further work is required. SAP has been implemented poorly and with an inadequate budget, not producing essential reports.	Further improvements to billing. SAP problems to be addressed – will require funding	RMSC contractor to support and advise regarding addressing of SAP problems. SAP system problem to be escalated to COGTA and NT – could be a national problem requiring a national solution.	ASAP, depends on funding. Escalation of SAP issue by end May 2018.
6			Put in place SOPs for billing		SOPs are in place for billing	SOPS to be reviewed for possible improvements	RMSC contractor to facilitate, support and advise.	End August 2018
7		Weak revenue collection	Institute compulsory debit orders for defaulting domestic debtors		Policy in place for managing debtors	Policy to be revised to provide for stronger measures to manage debtors	RMSC contractor to support and advise	End September 2018
8			Implement water restrictions and cut-offs to non-paying entities, companies; institutions and all other consumers and government departments		Currently not happening much, not happening consistently	To be implemented after Council approval of cost reduction and revenue raising plan	RMSC contractor to support and advise	End September 2018

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	Still to be done	Support from RMSC contractor	Timeframes
9			Implement a vigorous awareness campaign to educate all consumers of their obligations to pay timeously		Some work has been done, needs to be intensified, especially following Council approval of cost-reduction and revenue raising plan	Develop and implement awareness campaign	RMSC contractor to facilitate, support and advise – change management	Design campaign by end June, implement to end of RMSC contract
10	10.1		Put in place SOPs for dealing with debtors	Develop and implement SOP	No SOP in place	Put SOP in place	RMSC contractor to facilitate, support and advise.	End July 2018
	10.2			Internalise debt collection in addition to using debt collectors	All debt collection currently outsourced	Include in SOP	RMSC contractor to support and advise	End July 2018
11			Improve indigent management		Billing for use of water in excess of 6 kl per month to registered indigents in towns.	a) Stricter debt collection measures. b) Install flow restriction devices to reduce excess use of water from communal standpipes in rural areas and over-use of free basic water by indigent households in towns	RMSC contractor to support and advise	a) End September 2018 b) End of two financial years from now

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	Still to be done	Support from RMSC contractor	Timeframes
12	12.1	Weaknesses in infrastructure SCM	Develop and implement an infrastructure procurement strategy	Develop strategy	SIPDM SCM policy in place and approved by Council but not yet implemented	Develop infrastructure procurement strategy	RMSC contractor to facilitate, support and advise	End July 2018
	12.2			Put in place standard tender document and/or spec templates	SIPDM SCM policy in place and approved by Council but not yet implemented	Put in place templates	Yes	End August 2018
13			Appoint and train dedicated bid committees for infrastructure procurement		SIPDM SCM policy in place and approved by Council but not yet implemented	MM to put in place committees	RMSC contractor to support and advise	End July 2018
14			Put in place SOPs for payment of suppliers within 30 days and related monitoring and intervention system		Initial SOP in place	Review and improve SOP	RMSC contractor to facilitate, support and advise	End August 2018
15			Review roles and responsibilities of the SCM section in relation to bid committees and internally between the different SCM section units		Some lack of clarity regarding roles and responsibilities	Put in place document to clarify roles and responsibilities and SOPs if necessary	RMSC contractor to facilitate, support and advise	End June 2018

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	Still to be done	Support from RMSC contractor	Timeframes
16			Put in place measures to ensure that bid committees sit frequently enough		Bid evaluation meetings sometimes postponed due to lack of availability of members	MM to put in place measure(s) to improve attendance at bid committees (e.g. increase discipline, replace HODs as members)	RMSC contractor to support and advise	End June 2018
17			Put in place SOPs for planning and procurement and clarify links between PMU, Engineering and SCM demand management and ensure that commitment registers are adequate and enable cash-flow projections		SOPs not in place.	Put SOPs in place	RMSC contractor to facilitate, support and advise	End August 2018
18			Put in place SOP for contract management, clarifying roles of project managers and contract managers		SOP not in place	Put SOP in place	RMSC contractor to facilitate, support and advise	End August 2018

4.3 Human resource management and institutional development

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	What still needs to be done	Support from RMSC contractor	Timeframes
1		Unaffordable and inappropriate organisational structure	Develop and approve revised organogram		a) Corrected for Section 56 positions b) Related to industry norms c) Disestablished some departments d) Reduced number of directorates e) Introduced regional model with decentralization of decision-making to regions f) Reduced number senior positions g) Total number of positions reduced from 2299 to 1997 (13% reduction) g) Draft new organogram tabled to Council for approval in May 2018	Benchmark exercise to be done Review work done by PricewaterhouseCoopers 2 years ago Engineering Services and Cooperate Services to be aligned. Council to approve new structure in May 2018	RMSC contractor to review new structure and provide comments, including suggestions for standardization of job titles	Prior to Council meeting to approve structure
2			Freeze filling of administrative and other non-core posts on the current		Posts have been frozen.	Identify critical posts for filling. Since there is a moratorium on filling of vacant positions, there	RMSC contractor to facilitate, support and advise and	End June 2018

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	What still needs to be done	Support from RMSC contractor	Timeframes
			organogram			guidelines need to be developed on how to identify critical positions.	facilitate and assist in the process of developing guidelines	
3			Carry out a skills audit to match employees to the positions on the new organogram		ADM has appointed another consultant to do this	Carry out skills audit	RMSC contractor to monitor	July 2018
4			Migrate staff from the old organogram to the new one and fill vacancies remaining after the migration process		Not yet started	Migration process and change management of process	RMSC contractor to advise and support. RMSC to facilitate change management process.	September 2018, after approval of new organogram in May
5			Put in place a voluntary severance package mechanism to enable both early retirement and exiting of staff in excess of requirements		288 staff over 55 identified for possible early retirement. CSP proposed to Council, not yet approved.	Implement VSP. Process to be clearly defined and communicated.	RMSC contractor to advise and support	Start in June 2018, after Council approval of VSP strategy
6			Put in place up-to date job profiles and job descriptions		ADM has appointed another consultant to do this.	Put in place job profiles and job descriptions. Change management to add the communication of this item in the plan.	RMSC contractor to monitor	September 2018
7			Job evaluation		ADM has appointed another consultant to do this.	Evaluate positions after organogram approved and job descriptions finalised	RMSC contractor to monitor	November 2018

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	What still needs to be done	Support from RMSC contractor	Timeframes
8			Assess technical capability of staff and specialists and behavioral competence of management and leadership and putting in place plans for training and support to address the identified weaknesses		Not yet done	Put in place skills development plan	Lidwala to facilitate, advise and support	December 2018
9			Draw up and sign performance contracts reflecting the revised role profiles		Not yet done	Put in place performance contracts, starting with senior managers	Lidwala to facilitate, advise and support	End November 2018
10			Improve implementation of individual performance management system		Performance management system is in place, not linked to financial rewards. A non-financial reward management plan is being developed.	Review performance management system with aim of identifying possible improvements	RMSC contractor to facilitate, support and advise	End November 2018
11			Improve leave management		The structure has been changed to strengthen the leave management function.	Review leave management system with aim of identifying possible improvements	RMSC contractor to facilitate, support and advise	End November 2018

Action Number	Sub-action Number	Problem	Change actions	Sub-actions	Progress to date	What still needs to be done	Support from RMSC contractor	Timeframes
12			Improve overtime management		The Auditor General raised concerns about high overtime	Review overtime policy and management processes with a view to improvement	RMSC contractor to facilitate, support and advise	End August 2018
13			Review policies for cell-phones, 3-G cards and car allowances		Corporate Services is working on an improved subsidized car scheme.	Review policies with aim of identifying possible savings	RMSC contractor to facilitate, support and advise	June 2018
14		Weaknesses in HR information management	Improve information management in the HRM department, firstly using the current manual processes, then through SAP		HR department currently hampered by poorly performing SAP system	a) Review current manual processes with a view to improving them b) Address SAP problems – depends on funding	RMSC contractor to facilitate, support and advise	a) End August 2018 b) Depends on funding

5 Key Performance Indicators

The process of producing this report included reviewing, revising and confirming the KPIs for the RMCS programme in ADM. The revised KPIs are provided in the table below.

No	KPI	Baseline	Target
1. Water and sanitation service delivery			
1.1	Improvement in Water Services Reliability Index Score as measured by DWS	Currently being measured by DWS consultants working on Reliability Plan, due in May 2018	5% per annum from start of implementation stage
1.2	Improvement in Sanitation Services Reliability Index Score as measured by DWS.	Currently being measured by DWS consultants working on Reliability Plan, due in May 2018	5% per annum from start of implementation stage
1.3	Improvement in average Blue Drop and Green Drop scores for ADM WTW, as measured by DWS	To be provided by DWS	3% per annum from start of implementation
1.4	Improvement in water losses	Current figures vary between 25% (ADM) and 48% (DWS)	Reduction in water losses at water treatment works of 2% per annum on average from start of implementation phase
1.5	Improvement in percentage of compliant (microbiologically and chemically) potable water test samples (average, measured quarterly)	To be measured at start of implementation phase	3% per annum per annum on average from start of implementation phase
1.6	Improvement in percentage of biochemically compliant (COD in mg/l as determinant) waste water treatment plant samples (average, measured quarterly)	To be measured at start of implementation phase	3% per annum per annum on average from start of implementation phase
1.7	Reduction in over-provision of free water (kl provided over and above 6 kl per qualifying household)	Baseline = 7.3 kl per household per month (Ducharme, Dec 2017:23). Baseline to be verified in next phase of RMSC project	Target = 6 kl per household per month by end of RMSC contract

No	KPI	Baseline	Target
1.8	Improvement in number of plants that are correctly classified	To be measured at start of implementation phase	100% by December 2018
2. Financial management			
2.1	Percentage of current debtors of an age between 0 and 30 days (number of 0-30-day debtors divided by total no of debtors)	7%	Target = 70% by end of current RMSC contract 90% after 5 years
2.2	Percentage of debt which is impaired (measured on an annual basis)	82%	50% by end of current RMSC contract 10% within 5 years
2.3	Percentage of billable water provided which is billed (water invoiced divided by total water provided less free basic water)	ADM is not currently able to produce this data. Measurement to be done early in implementation phase	5% improvement on average per annum over RMSC contract
2.4	Approved tariffs as % of cost-reflective tariffs (measured annually in terms of DWS or COGTA guidelines for calculating cost-reflective tariffs)	Baseline: Varies (step tariffs), but only highest level of consumption is currently cost-reflective for domestic tariffs	Target: tariffs are such that ADM at least breaks even by end of RMSC contract
2.5	Percentage of the value of property, plant and equipment which is spent on maintenance and repairs annually	Baseline = 0.5%	Target = 2% by end of RMSC contract 4% within 5 years
3. Supply chain management			
3.1	Infrastructure procurement strategy in place	Not in place	In place and being implemented
3.2	Average number of days taken to pay a supplier from date of submission of a legitimate invoice (average calculated over a quarter)	56 days	Target: over 90% of invoices to be paid within 30 days within 5 years

No	KPI	Baseline	Target
3.3	Average time taken from submission of bid document to specification committee to award of tender (average calculated over a quarter)	Baseline not known, to be calculated in next phase of RMSC project	Target: to be determined in next phase of RMSC project
4. Human resource and institutional development			
4.1	Reduction in personnel expenditure as a percentage of total expenditure	Baseline = 53%	Target = 40% within 5 years

Total number of KPIs: 17

6. Conclusions and way forward: Phase 3

This phase 2 report has been developed in consultation with ADM officials and the ADM strategic turnaround plan and the action plan in this report have been aligned to each other.

As soon as this phase 2 report can be approved by ADM and MISA, the RMSC contractor will start working with ADM officials on the implementation of the action plan. This will involve more intensive and more frequent engagement with ADM officials than was done in the first and second phases. It will also involve putting in place and implementing a comprehensive change management and communications plan.

8.3.2 AMATHOLE DISTRICT MUNICIPALITY'S (ADM'S) 2018-2019 REVIEWED INTEGRATED DEVELOPMENT PLAN (IDP) AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) 2018-2021 BUDGET INCLUDING ASPIRE'S MTREF 2018-2021 BUDGET AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

[File No. 5/1/R]

[Author: Strategic Management Director/ANT/nm/CFO/NN/syk/sg]

[MC: 23 May 2018]

[Council: 31 May 2018]

PURPOSE

In terms of Section 24 of the Municipal Finance Management Act, (Act No. 56 of 2003), on 31 May 2018, the Council of Amathole District Municipality will meet in a nominated venue, which will constitute the Council Chambers of Amathole District Municipality, to consider and approve:

The 2018-2019 reviewed Integrated Development plan

The Medium Term Revenue and Expenditure Framework (MTREF) 2018-2021 Budget

Financial Policies and Sector Plans for the financial year 2018/19

The MTREF 2018-2021 budget of the Municipal Entity, ASPIRE

Note the Service Delivery and Budget Implementation Plan

LEGAL/STATUTORY REQUIREMENTS

Section 25 of the Municipal Systems Act 32 of 2000 requires each municipal council to adopt a single, inclusive and strategic plan for the development of the municipality which links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality. Implementation of the plan must align the resources and capacity of the municipality and will form the policy framework and general basis on which the annual budget must be based.

Section 40 of the Municipal Systems Act 32 of 2000 further requires that a municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed, measure and review performance at least once per year.

Section 16(2) of the Municipal Finance Management Act No.56 of 2003 indicates that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. The mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. The Act does not prevent the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

Section 14 of the Municipal Budget Reporting Regulations requires the annual budget to be credible and realistic such that it is capable of being approved and implemented as tabled. For

effective planning and implementation of the annual budget, the service delivery and budget implementation plan may form part of the budget documentation tabled to council.

BACKGROUND

On 25 August 2017, Amathole District Municipality adopted an IDP Framework Plan together with the IDP/Budget Process Plan. These plans were adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for the development of the IDP and the Budget.

Organizational arrangements were put in place as per the IDP/Budget Process Plan and all legislative prescripts were adhered to into the effective operations of structures, such as IDP/PMS/Budget Representative Forum etc.

Subsequent to the delivery of the State of the Nation Address by the President of the Republic of South Africa, the tabling of the Budget by the Minister of Finance and the tabling of the State of the Province Address, the District Municipality also held its strategic planning session from the 14th to 17 February 2018. The intention of the session was to review and facilitate development of a framework that will guide the municipality's strategic direction for the next five years. The strategic framework encompasses the strategic objectives and strategies aimed at realising the mandate of ADM.

The IDP has been developed in consideration of the alignment of the Sustainable Development Goals (SDG's), National Development Plan (NDP), Provincial Development Plan (PDP) and the District Vision 2058. Further to note that the development is also guided by the development priorities of others spheres of government and strategic partners that will be implemented in the district space.

Furthermore, as part of the IDP development process; an analysis was conducted in respect of various sector plans attached to the ADM's IDP. Some were found to be still relevant and required minor update done in-house, others required a major review.

IDP OUTLINE

The 2018/2019 reviewed IDP is structured as follows:

-)] The Mayor's Foreword, Municipal Manager's Message and the Executive Summary provide an overview of the planning and budgeting process, the year challenges and improvements made towards achieving a credible and realistic IDP and Budget
-)] Chapter one (1) of the IDP provides a concise summary of the municipal vision, mission and values
-)] Chapter two (2) provides a detailed profile of the District
-)] Chapter three (3) provides the situational analysis of the district, together with the district-wide community priorities and needs
-)] Chapter four (4) provides a detailed breakdown of objectives that indicate what the district municipality can reasonably achieve within the 5 year period and within the available resources,

as well as strategies and programmes that provide the concrete interventions that the district municipality will implement to attain its objectives

- J Chapter five (5) provides a list of all ADM sector plans and their status, with executive summaries of the newly developed sector plans. The sector plans contain strategic interventions that respond to the status quo assessment
- J Chapter six (6) provides the District Municipality's financial strategies, medium term expenditure, and proposed budget for the MTREF 2018-2021 financial year as well as the five year Capital Plan
- J Chapter seven (7) provides an overview of the monitoring and evaluation process, a background to the ADM Performance Management Framework as adopted by the District Municipality, as well as the Municipal Service Delivery and Budget Implementation Plan.

The 2018/19 reviewed IDP is attached as **Annexure "A"**.

IDP SECTOR PLANS

In view of the fact that the development and review of ADM sector plans formed part of the 2018/2019 IDP Review process, it is necessary to consider them for approval with the IDP and Budget, so that they are ready for implementation as they will be reflected in the 2018/19 Service Delivery and Budget Implementation Plan.

A list containing all IDP developed and reviewed sector plans is reflected in Chapter 5 of the 2018-2019 reviewed IDP.

2018/19 Service Delivery & Budget Implementation Plan (SDBIP)

The SDBIP serves as a "contract" between the administration, council and community, expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis for measuring performance in service delivery against end-of-year targets and implementing the budget.

The SDBIP forms part of the performance management system, which is contained in Chapter seven (7) of the reviewed IDP. Being a management and implementation plan, the SDBIP is not required to be approved by the council – it is however tabled before council for noting.

The 2018/2019 SDBIP is attached as **Annexure "B"**.

2018-2021 MTREF ASPIRE

BUDGET

ASPIRE has submitted a balanced budget of R32, 785,799. Operating budget is at a level of R32 461 799 with the capital budget at a level of R324, 000.

ASPIRE has requested a level of funding from ADM of R16, 278,000. This is more than the inflationary increase of 6% on the 2017/18 allocation of R13 500 000. ADM Section 56

employees have sacrificed their 2018/19 budgetary salary increase of R1, 215,799 to supplement the allocation to ASPIRE, bringing the contribution to R15, 525,799. The DoRB allocation for NDPG for the 2018/19 financial year is set at an amount of R7, 080,000. ASPIRE's budget is attached as **Annexure "U"**.

2018-2021 ADM BUDGET

Executive Summary

The Amathole District Municipality (ADM) has, for 2018-2019 linked its budget to President of the Republic of South Africa's State of the Nation Address (SONA) proclamations and Minister of Finance's Budget speech and the State of the Province's Address. All the speeches and financial plan had an alignment that reveal a number of complex challenges such as the persistent drought in various parts of the district, struggling finances which result in late payment of service providers and the inability to deliver essential services to communities. Nonetheless, none of these challenges are insurmountable if partnerships can be established with other spheres of government working together towards a common vision.

ADM welcomes the R6 billion advanced to the Department of Water and Sanitation to assist with drought relief. It comes at a time that the district is gripped by one of the most devastating droughts which has severely impacted our economy, social services and agricultural production. ADM is on course to access this funding.

ADM's budget, will recognize the call made by the Minister of Finance, for Government to set aside at least 30 percent of public procurement to Small Medium Micro Enterprises (SMMEs), cooperatives, township and rural enterprises, and to continue investing in small business incubation. The Municipality also intends to reduce the regulatory barriers for small businesses, and will make all efforts to ensure that economic opportunities for people with disabilities are expanded.

This will hopefully be realized, through meaningful partnerships with the Small Enterprise Finance Agency (SEFA), which has launched a scheme to develop and fund entrepreneurs with disabilities called the Amavulandlela Funding Scheme.

The Honourable Minister of Finance has reiterated the importance of payment of suppliers on time as regulated by both the PFMA and MFMA. National Treasury will issue a directive to all government departments and public institutions instructing them to pay suppliers on time, or be charged with financial misconduct. Municipalities support this call, and intend to strengthen oversight mechanisms and aim to curb irregular expenditure. However, value for money and efficiency in spending remains critical in the drive to ensure the effective management of public resources.

ADM is mindful of the fact that agriculture presents one of the greatest opportunities to significantly grow the economy and create jobs, hence this year, ADM needs to take decisive action to realize the enormous economic potential of agriculture, by engaging in consequential partnerships, which will derive significant financial spin-offs.

The Municipality is inspired by the President's commitment in the SONA to convene investment and jobs summits. These are envisaged to bring all stakeholders together around practical initiatives to catalyze inclusive growth and job creation, to change the declining economic

landscape of the district which has resulted in investment difficulties. There is a need to invigorate the resolutions taken at the ADM investment conference held in 2012. It is anticipated that this will in turn boost ADM's finances and economic climate as a whole.

Finance Minister, Malusi Gigaba announced an increase of 1 percentage point in the value-added tax (VAT) rate, raising it to 15% in the first adjustment to taxation on goods and services in twenty five (25) year. ADM has effected these changes, on both input and output VAT.

The budget speech has affirmed that Government stands ready to provide financial assistance where necessary, and ADM therefore intends to use this opportunity to source funds for all its imperative service delivery related initiatives.

The development of the budget is informed by the key service delivery priorities as reflected in the IDP to ensure that services are provided sustainably, economically and equitably to all communities without compromising financial sustainability.

The Municipality has its jurisdiction over a rural and poverty stricken district hence the challenge of low payment patterns from its consumers. This coupled with the requirement for the Municipality to pay its creditors within 30 days from receipt of invoice adds strain to the cash flow of the Municipality.

The collection rate as at the end of September 2017 was 51% of current billing (year to date average of 3 months 50%), with the majority of the debt lying in 90 plus days. The domestic consumer debtor category remains the largest portion of the debt due to the Municipality.

The Municipality continues to provide relief to indigent consumers by providing 6kl free basic water monthly. Despite this relief, the registration campaigns yield very poor results. Through policy review the strategy on indigent registration will be addressed. The indigent status of a consumer is effective for a period of 24 months, provided that their financial situation remains the same. The total number of registered indigents is 4 796, however according to STATS SA's analysis of the Eastern Cape, poverty levels are very high in comparison to the ADM's level of registered indigents.

The ownership challenge surrounding the RDP houses in the local municipalities is a contributing factor to the low collection rate and the municipality is exploring alternative solutions to resolve this issue. This will also assist the local municipalities in reducing their obligations.

The preparation of this budget document involved the making of critical policy decisions mentioned above (SONA, Budget speech; SOPA and Strategic Planning) and the Institutional Strategic session during February 2018. A set of assumptions and forecasts as approved by the IDP/Budget Steering committee were used to prepare 'baseline' budgets. These 'baseline' budgets formed the basis for operating budget discussions and these were given to the Directors to review and revise within given guidelines and are used as the basis for the budget that was built upon key assumptions and decisions and are listed below:

Budget Assumptions in preparation for MTREF Budget 2018-2021

- Salaries shall increase by 7% in line with the recommendation of the facilitator plus a 2.5% notch increase for qualifying staff

- Salary figures based on warm bodies paid in January 2018, with no vacant positions being budgeted for
- Section 57 Managers shall have an increase of 5.1% (CPI index) plus 2% as per their contracts of employment for the 2018/19 financial year
- Councillor remuneration will increase by 6% subject to any further changes in the upper limits gazetted
- Electricity budgeted for at a 5.23% in line with approved NERSA approval
- Bulk Water budgeted costs to increase by 9.46% in line with Amatola Water's proposed annual increase
-) Qualifying level of income for indigent registration is two times the old age pension grant amount
-) A differentiated approach in applying parameters in the operating budget based on trends of previous expenditure, cost containment considerations and strategic needs will be applied. This will vary from an increase of 5.2 % in 2018/19 financial year and 5.5% for 2019-2021 periods. This is based on CPI inflation rate estimated in MFMA Circular 89 published on 8 December 2017
-) The tariffs for 2018/19 will be increased by 14.7% in an attempt to equate to the independently calculated cost to produce a kilolitre of water of R29
-) National and Provincial allocations as per the 2018 Division of Revenue Bill and the 2018 Provincial Government gazette are also included in the budget
- Due to limited revenue sources, ADM can only afford to subsidize R15 525 799 operations of ASPIRE
- The ADM Budget has taken cognizance of internal and external factors such as:

Resolving Water Security and drought

Illegal connections

Improve the standard level of service from RDP standard to yard connection

Promotion of SMME's

Improving audit outcomes

Reviewal of the Satellite Office Model

2018/19 Deficit Budget and proposals to rectify the situation in future years

In terms of the MFMA circular No 55 of 7 March 2011, Treasury has advised that there is no legal requirement that the operating budget of a municipality must be balanced or be in surplus. Therefore the proposal for a deficit budget for 2018/19 is not illegal and the adjustment to the budget policy to indicate that ADM can no longer subscribe to the balanced budget principle is also permissible. The deficit indicates that there are financial imbalances that need to be addressed. ADM's collection rates are still too low, 60% being way below the 95% expected collection and the tariffs are not fully cost reflective, due to the consideration of affordability. Expenditure levels are too high, especially with the high and ever increasing salary levels. ADM has strategies that it intends implementing to address the situation. With the proposed 14.7%

increase in tariffs, the deficit has been reduced to the level of only non-cash flow items. ADM no longer has any reserves to cash back these items. This means that ADM has to improve its collection rate to way above the 60% in future and to cut cash expenditure.

The various strategies developed to address the situation include:

-) Developing a Municipal Turnaround Strategy
-) Reviewal of the entire institutional organogram
-) Reviewal of the Water and Sanitation Service Delivery Model by Lidwala
-) Implementation of cost reduction measures and strict belt tightening
-) Reviewal of the Financial Recovery Plan
-) Reviewal of the Revenue Enhancement Strategy
-) Implementation of a cost reduction plan
-) Tighten controls over contract management
-) Reviewal of policies with financial implication

Approach on Long Term Financial Plan

Phase 1 – A status quo assessment of

-) the municipality's current financial status
- current revenue sources, internal and external
- main cost drivers impacting on the sustainability of the municipality
- status of municipal infrastructure
- ability to finance capital expenditure
- municipal service delivery backlogs
- ratio analysis

Phase 2 - Planned Finance and Financial Modelling

- what expenditure the Municipality plans to undertake over the medium-term
- what its financing requirements are likely to be and how these can be funded either internally or externally

Phase 3 Analyse Outcomes and Ratios

- develop a financial forecast model to identify immediate opportunities and risks
- perform scenario planning to identify the optimum balance between revenue collection and municipal spending; taking into account the following:

- (a) Potential revenue enhancement strategies which may have an immediate impact on the revenue base of the Municipality
- (b) Evaluate cost saving mechanisms to minimize the cost of effective service delivery
- (c) Current infrastructure investments and maintenance programs which may influence revenue streams or the cost of service delivery
- evaluate the medium and long term financial viability

Phase 4 Develop long term financial plan

- finalisation of the Financial Plan includes collating all short, medium and long-term financial data and development of a long-term financial plan that:-
 - (a) Identifies future revenue projections based on current and projected revenue streams, as well as those projects required to achieve these projections;
 - (b) Identifies future expenditure frameworks and cost of service delivery based on current and projected expenditure patterns;
 - (c) Identifies the level of infrastructure development required to achieve the municipal priorities, within the funding restrictions; and
 - (d) Identifies external funding requirements required for capital investment

Reasons for increasing tariffs beyond the maximum 6% recommended inflation band

An independent study was done on the cost to produce one kilolitre of water by ADM. This study was funded by the MSIG allocation in kind to ADM for the 2017/18 year. The study found that it costs ADM R29 a kilolitre to produce water. Amatola Water also announced its proposed tariff increase of 9.46%. The recommended salary increase by the facilitator in the wage negotiation process is set at 7%. ADM provides for a 80% Bad Debt provision, which has been assessed by the Auditor General. South Africa as a whole has experienced drought situations throughout the country in the recent past. ADM's dam levels are currently at healthy levels, but the possibility of droughts in the future cannot be ignored with the dramatic impact of climate change. Bearing all of this in mind, ADM had no choice but to increase its tariffs by 14.7% to attempt take into consideration all these factors which play a role in the cost of producing water and to ensure its future sustainability and ability to provide water services to its communities.

The budget below is the proposed budget for the Amathole District Municipality:

The Amathole District Municipality Budget for 2018-2021 reflects a deficit as expenditure exceeds revenue sources and available cash balances as required by the MFMA.

The total budget of the municipality for the 2018/19 financial year is proposed at **R2, 067,683 630**. This amount comprises an operational budget of **R1, 512,678, 900** and a capital budget of **R555, 004,730**. The deficit shows an increase year on year from R268, 497,618, to R285, 676 525 in 2019/20 to R304, 146,499 in 2020/21. This situation does not yet include the impact of the proposed changed organogram.

Operating Revenue is anticipated to reach **R1,286,181,282** (including currently known grants received for operational expenditures) and **operating expenditure**; funded from operating revenue is proposed at **R1,512,678,900**. An overall budget deficit of **R268, 497,618** results.

The Capital Budget is funded from a mixture of conditional grants and own funds. Capital budget spending for 2018/19 is estimated to total **R555, 004,730** for different projects as set out in the IDP and capital budget. The proposed Capital Budget shows an increase of R17, 5 million when compared with its baseline (2017/18 budget) whereas out years have decreased to R 484 million and R542 million respectively.

Refer to tables below for detailed outer year forecasts for income, expenditure and capital for 2019/20 and 2020/21. In view of the aforementioned, the following table is a consolidated overview of the proposed MTREF 2018-21 Budget:

Consolidated Overview of the MTREF Budget

Budget Year	2018/19 R	2019/20 R	2020/21 R
Total Revenue (Excluding capital transfers and contributions)	(1,286,181,282)	(1,072,165,080)	(1,155,465,093)
Total Operating Expenditure	1,512, 678,900	1,625,702,257	1,740,836,367
Surplus/(Deficit)	226,497,618	280,676,525	296,146,499
Total Capital Revenue (Including capital transfers and contributions)	(513,004,730)	(479,055,313)	(534,940,538)
Total Capital Expenditure	555,004,730	484,055,313	542,940,538
TOTAL DEFICIT	268,497,618	285,676,525	304,146,499

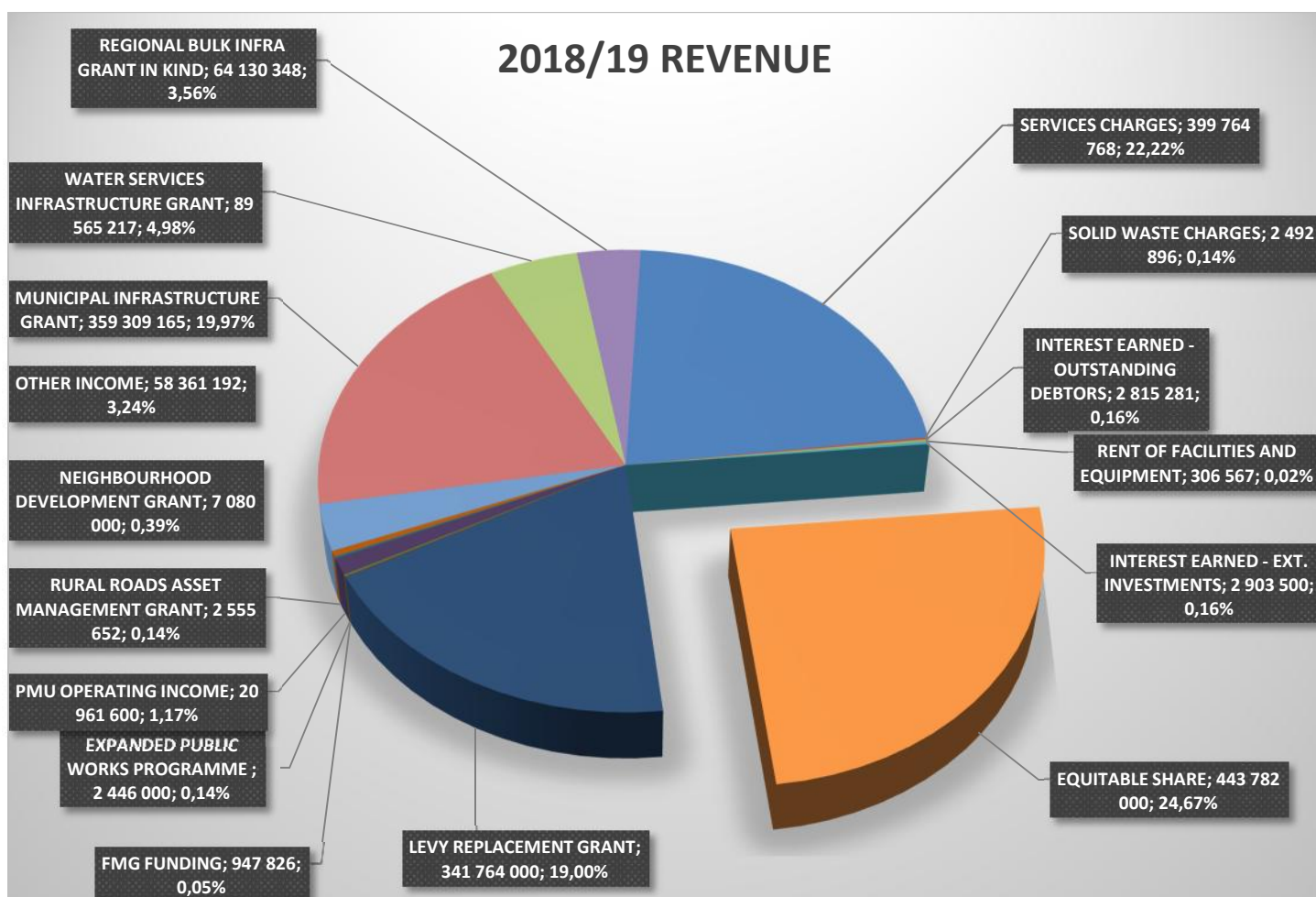
Budget Deficit Analysis

DETAILS	Amount 2018/19 R	Amount 2019/20 R	Amount 2020/21 R
Bad Debt Provision	108,195,340	114,687,060	121,568,284
Post-Retirement Benefits	53,438,542	58,782,396	64,660,636
Depreciation	106,863,736	112,207,069	117,917,579
TOTAL DEFICIT	268,497,618	285,676,525	304,146,499

Council must note that the allocation of Equitable Share has increased by 4%, Levy Replacement grant increased by 3%, MIG has decreased by 4%, WSIG has increased by 11%, RBIG has increased by 17%, FMG has decreased by 20% and MSIG decreased by 100%. The effective operation and continuity of programmes is dependent on grant income as the municipality is grant dependent. It must also be noted that the increases in the grants do not equate to the increases in bulk water, electricity or salary costs.

In preparing the budget many issues emerged that had to be taken into account. Several assumptions were utilized to produce estimates and forecasts. In addition, many policy decisions were incorporated into this budget document.

OPERATING REVENUE BUDGET



DETAILS	2017/18 R	2018/19 R	% INREASE (DECREASE)	2019/20 R	2020/21 R
SERVICES CHARGES	271,943,227	399,764,768	(47%)	423,750,654	449,175,693
SOLID WASTE CHARGES	964,977	2,492,896	158%	2,642,470	2,801,018
INTEREST EARNED - OUTSTANDING DEBTORS	2,584,671	2,815,281	9%	2,984,197	3,163,249
RENT OF FACILITIES AND EQUIPMENT	355,588	306,567	(14%)	337,224	370,946
INTEREST EARNED - EXT. INVESTMENTS	9,324,497	2,903,500	(69%)	2,903,500	2,903,500
EQUITABLE SHARE	425,482,000	443,782,000	4%	461,782,000	495,024,000
LEVY REPLACEMENT GRANT	331,650,000	341,764,000	3%	371,903,000	404,259,000
FMG FUNDING	1,188,596	947,826	(20%)	947,826	947,826
EPWP	1,527,000	2,446,000	60%	-	-
PMU OPERATING INCOME		20,961,600	-	21,423,600	22,701,500
RURAL ROADS ASSET MANAGEMENT GRANT	2,444,167	2,555,652	5%	2,706,957	2,863,478
NEIGHBOURHOOD DEVELOPMENT GRANT	15,080,000	7,080,000	(53%)	-	-
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	3,001,000	-	(100%)	-	-
OTHER INCOME	364,012,322	58,361,192	(84%)	53,644,304	60,479,658
TOTAL OPERATING INCOME	1,389,929,568	1,286,181,282	(7%)	1,345,025,732	1,444,689,869
MUNICIPAL INFRASTRUCTURE GRANT	363,699,167	359,309,165	(1%)	367,228,448	389,133,321
WATER SERVICES INFRASTRUCTURE GRANT	78,723,158	89,565,217	14%	91,356,522	96,381,130
REGIONAL BULK INFRA GRANT IN KIND	55,470,247	64,130,348	16%	20,470,343	49,426,087
TOTAL CAPITAL INCOME	537,521,045	513,004,730	5%	479,055,313	534,940,537
TOTAL INCOME	1,927,450,613	1,799,186,012	(7%)	1,824,081,045	1,979,630,406

- Revenues are shown on a ‘billed’ (or accrual) basis where applicable. In many cases revenue billed is much higher than cash actually collected on that billing. Internal revenue collection remains at low levels and the debt book is rising with the need to provide for an 80% bad debt provision. Thus revenue has been recognised at realistically collectable amounts in accordance with Section 18 of the MFMA, with a target to increase to a 60% collection rate in 2018/19.
-) **Tariffs and service charges** for the MTREF are proposed to increase by 14.7%. The step tariff principle has been applied as detailed in the Proposed Water Consumption Tariff, however the step tariff does not apply to commercial and business, industrial and agriculture, institutions and mixed use consumers, as they are charged a flat rate per kilo litre. The tariff increases are moving towards being cost reflect, after an independent study revealed that it costs ADM R29 to produce one kilolitre of water. A detailed listing of the tariffs and charges is included in this document, refer **Annexure T**. To summarize these recommended increases of 14.7% apply to water, sanitation and fire service charges.

The budget provides the free basic service relief that will subsidize the indigent customers at a level of 6kl per month.

-) **Interest Earned Outstanding Debt** of R2, 815,281 has been included in this year’s budget based on actual interest raised and received during the 2017/18 in order to reflect realistically collectable interest. The interest for 2019/20 and 2020/21 is R2, 984,197 and R3, 163, 249 respectively.
-) The budget for **Rental of facilities and equipment** of R306, 567 includes external tariffs for the Calgary Museum and rental income anticipated from the lease of ADM property situated across the district. The 2019/20 and 2020/21 rental income is anticipated to be R337, 224 and R370, 946 respectively.
-) **Interest earned on investments** of R2, 903, 500 has decreased from previous years due to withdrawals from investments to cover the shortfall from the Municipality’s operations. No growth has been reflected for the outer two years due to the uncertainty of the cash position of the municipality.
-) **Grants and subsidies** including conditional grants and equitable share have increased from the **R1, 366, 724, 000** in 2017/18 to **R1, 390, 903, 000** in the 2018/19 financial year. Even though grants have increased overall by 1.7%, this increase is not reflective of the inflationary increases. This has implications for the municipality. The municipality will have to increase its own revenue base in order to continue funding the budget in future. The growth in the grant income in 2019/20 and 2020/21 is forecast in accordance with DoRB 2018 at R1, 391, 463, 000 and R1, 521, 216, 000.

DIVISION OF REVENUE BILL B2 – 2018					
GRANT	2018/2019 R	2019/2020 R	2020/2021 R	GROWTH/ (REDUCTION) ON 2017/18 ALLOCATION R	INCREASE/ (DECREASE) %
Municipal Infrastructure Grant	419,232,000	428,472,000	454,030,000	(17,207,000)	(4%)
Neighbourhood Development Partnership Grant Capital	7,080,000	-	-	(8,000,000)	(53%)
Rural Roads Assets Management Systems Grant	2,939,000	3,113,000	3,293,000	6,000	0.03%
Water Services Infrastructure Grant	100,000,000	102,000,000	107,610,000	10,000,000	11%
Local Government Financial Management Grant	1,000,000	1,000,000	1,000,000	(250,000)	(20%)
Equitable Share Formula	443,782,000	461,782,000	495,024,000	18,300,000	4%
RSC Levies Replacement	341,764,000	371,903,000	404,259,000	10,114,000	3%
Expanded Public Works Programme Incentive Grant for Municipalities	2,446,000	-	-	919,000	60%
<i>Regional Bulk Infrastructure Grant*</i>	<i>72,660,000</i>	<i>23,193,000</i>	<i>56,000,000</i>	<i>10,297,000</i>	<i>17%</i>
TOTALS	1,390,903,000	1,391,463,000	1,521,216,000	24,179,000	1.7%
<i>BREAKDOWN OF RBIG</i>					
<i>Xhora East Water Supply (Mbhashe LM)</i>	70,000,000	3,193,000	1,000,000		
<i>Sundwana Water Supply (Mbhashe LM)</i>	-	-	25,000,000		
<i>Ngqamakhwe Bulk Water Supply (Mnquma LM)</i>	2,660,000	20,000,000	30,000,000		
	72,660,000	23,193,000	56,000,000		

The Municipal Infrastructure Grant (MIG) funds the provision and upgrade of infrastructure for basic services. A decreased amount of R419, 232, 000 has been gazetted for MIG Grant for 2018/19. The following two years reflect an increase of 2.2% and 6% respectively.

The Neighbourhood Development Partnership Grant (NDPG) is designed to plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation in order to improve the quality of life and access to opportunities for the previously disadvantaged residents in under developed neighbourhoods. An amount of R7, 080, 000 has been allocated to fund such initiatives which is allocated to the ADM entity ASPIRE for the rollout of their programmes. Currently there is no allocation for this grant in the outer two years.

Rural Roads Assets Management Systems Grant (RRAMS)'s purpose is to assist rural district municipalities to set up rural Roads Asset Management Systems, and collect road, bridges and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa as set out in the DoRB 2018. RRAMS has been gazetted at an amount of R2, 939, 000 for the 2018/19 financial year, with a 6% increase in both outer years.

The Water Services Infrastructure Grant (WSIG) has been gazetted at an amount of R100, 000, 000 for the 2018/19 financial year. This grant is aimed at facilitating the planning and implementation of various water and sanitation projects to accelerate backlog reduction and provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised. It aims to also support the existing bucket eradication programme intervention in formal residential areas and support drought relief projects in affected municipalities. The level of the grant is increasing by 2% and 6% in the outer two years.

The Local Government Financial Management Grant (FMG) has been gazetted at an amount of R1, 000, 000, aimed at promoting and supporting reforms in financial management by building capacity in Municipalities to implement the MFMA. The level of this grant remains constant over the 3 years MTREF period.

The Equitable Share is provided to enable the municipalities to provide basic services as well as perform their functions. A total amount of R443, 782, 000 for Equitable Share (ES) and R341, 764, 000 being for the Levy Replacement Grant (LR) has been gazetted for the 2018/19 financial year. Equitable share increases by 4% and 7% in the outer two years, whereas the LRG has increased by 9% for both years.

An amount of R2, 446, 000 has been gazetted for the Expanded Public Works Programme (EPWP), which is aimed at providing funding for job creation efforts in specific focus areas where labour intensive delivery methods can be maximised. There is no allocation for this grant in the outer two years.

There are two grants that are deemed "allocations – in – kind" being Rural Bulk Infrastructure Grant (RBIG) and Municipal Systems Improvement Grant (MSIG), this implies that the funds received from these grants will not necessarily be transferred directly to ADM instead RBIG programme targets projects that cut across several municipalities for large bulk projects and in ADM this will be implemented to fund bulk infrastructure needed to provide reticulated water and sanitation to individual households in Mbhashe and Mnquma local municipalities. An amount of R72, 660, 000 has been gazetted for RBIG. This reduces drastically by 68% in the next year and then increases by 241% in the final year.

The MSIG that was previously reconfigured as an indirect grant from 2016/2017 to assist in the enhancement of the performance of struggling municipalities in revenue collection, performance management and record keeping has no allocation from 2018/19 to 2020/21.

- **Other income** budget includes VAT on external funds being treated as own revenue taken on MIG, WSIG, RRAMS, FMG and RBIG amounting to R58, 361, 192 has been allocated as own revenue to fund operations. The material decrease in the other income budget from 2017/18 is as a result of the non-cash items that were “cashed backed” being removed from the 2018/19 to 2020/21 budgets. Other income for the 2019/20 and 2020/21 outer years is forecast to be R53, 644, 304 and R60, 479, 658 respectively.

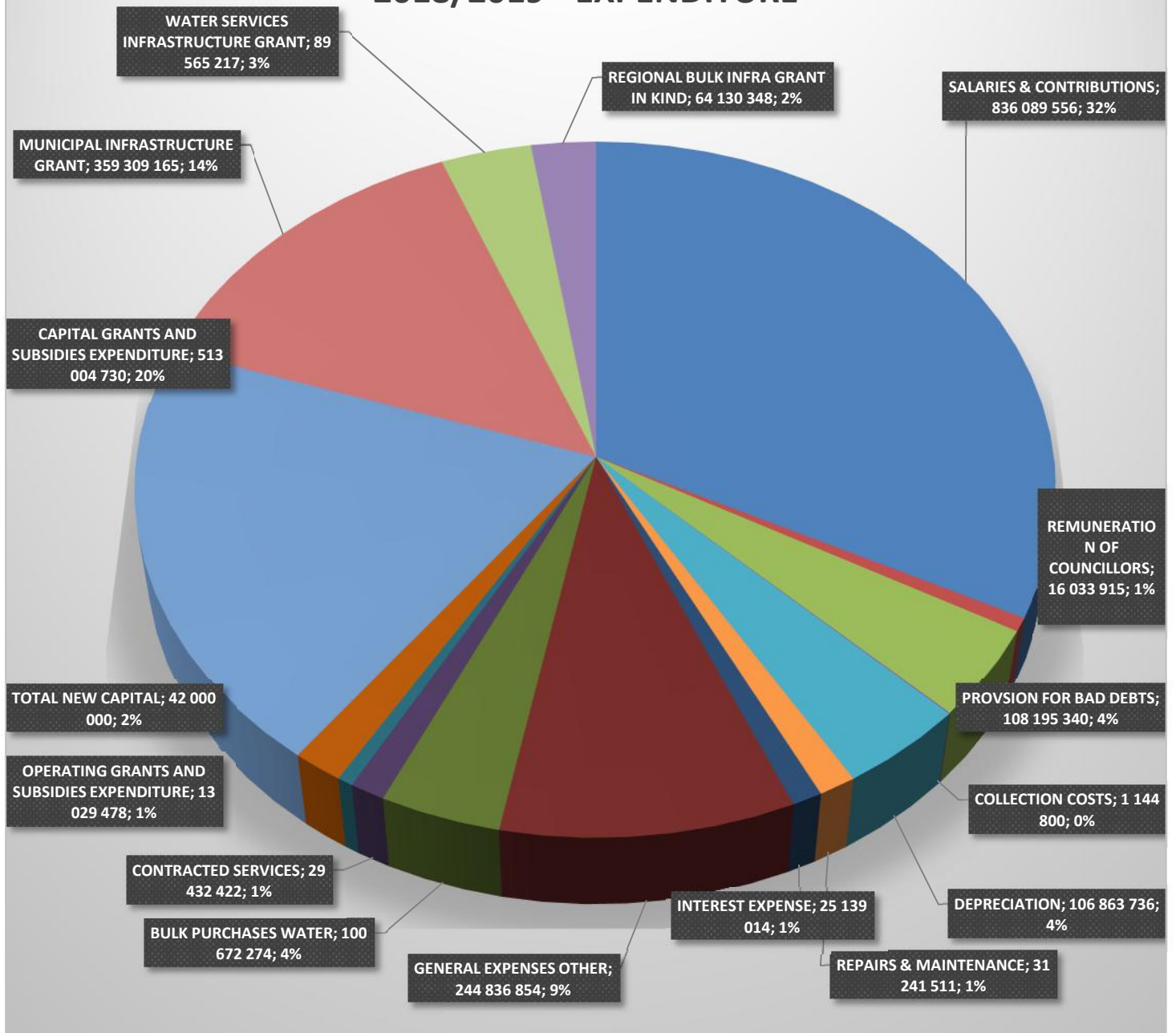
The overall annual budget allocation for the 2018/2019 financial year amounts to R2,067,683,630, representing a 7% increase on the overall 2017/18 budget.

OPERATING EXPENDITURE MTREF 2017-2021

DETAILS	2017/18 R	2018/19 R	% INCREASE (DECREASE)	2019/20 R	2020/21 R
SALARIES	733,533, 597	836,089,556	14%	901,434,695	946,196,460
REMUNERATION OF COUNCILLORS	14,202,363	16,033,915	13%	17,156,293	18,357,237
PROVISION FOR BAD DEBTS	105,755,544	108,195,340	2%	124,100,067	142,342,789
COLLECTION COSTS	1,040,000	1,144,800	10%	1,259,280	1,385,208
DEPRECIATION	107,594,641	106,863,736	-1%	112,207,069	117,817,579
REPAIRS & MAINTENANCE	19,100,000	31,241,511	64%	42,512,333	56,198,120
INTEREST EXPENSE	22,851,570	25,139,014	10%	27,650,002	30,411,903
GENERAL EXPENSES OTHER	219,425,590	244,836,854	12%	253,156,186	268,082,125
BULK PURCHASES	112,000,000	100,672,274	(10%)	110,195,885	120,620,412
CONTRACTED SERVICES	31,185,500	29,432,422	(6%)	32,375,664	35,613,231
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	3,001,000	-	(100%)	-	-
FINANCIAL MANAGEMENT GRANT	1,188,596	947,826	(20%)	947,826	947,826

RURAL ROADS ASSET MANAGEMENT GRANT	2,444,167	2,555,652	5%	2,706,957	2,863,478
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	15,080,000	7,080,000	(53%)	-	-
EXPANDED PUBLIC WORKS PROGRAM	1,527,000	2,446,000	60%	-	-
TOTAL OPERATING EXPENDITURE	1,389,929,568	1,512,678,900	9.0%	1,625,702,257	1,740,836,367
TOTAL NEW CAPITAL	34,328,473	42,000,000	22%	5,000,000	8,000,000
TOTAL CAPITAL REPLACEMENT	5,300,000	-	(100%)	-	-
MUNICIPAL INFRASTRUCTURE GRANT	363,699,167	359,309,165	(1%)	367,228,448	389,133,321
REGIONAL BULK INFRA GRANT (IN KIND)	55,470,247	64,130,348	16%	20,470,343	49,426,087
WATER SERVICES INFRASTRUCTURE GRANT	78,723,158	89,565,217	14%	91,356,522	96,381,130
TOTAL CAPITAL EXPENDITURE	537,521,045	555,004,730	3%	484,055,313	542,940,538
TOTAL EXPENDITURE	1,927,450,613	2,067,683,630	(7%)	2,109,757,570	2,283,776,905

2018/2019 - EXPENDITURE



- J The institution is currently going through a process of reviewing its organogram in an attempt to bring the staff costs in greater alignment with the recommended norm by National Treasury. Policies are being developed to assist in the reduction of the staff levels. These policies will be thoroughly workshopped and tabled to Council for approval before being implemented. Should the Municipality be successful in its plan to develop and implement this policy, it is envisaged that the salary bill should decrease by 50% in 2023.
- J As this process is not yet complete, and the budgeting process needs to continue, the current approved and filled organogram has been used as the basis to develop the 2018/19 salary budget as well as the two outer years.
- J The total **Salaries** budget, including social contributions, Voluntary Severance packages of R35 million, overtime of R17 million and leave liability of R67 million and **remuneration of Councillors**, constitutes an amount of R852,123,471 being **41%** of the overall annual budget for 2018/19. When comparing salaries against the total operating budget, this constitutes **56%** of total operations. The municipality has not budgeted for any vacancies and only positions with warm bodies have been budgeted for in the 2018/19 financial year. A 7% salary increase has been effected, which is based on the recommendation by the facilitator in the wage negotiations.

Full Time Councillors	10,901,438
Adhoc Councillors	4,618,549
Traditional Leaders	513,928
Executive Management	17,114,237
Full time Employees	728,090,425
Overtime	18,000,000
Long Service Days & Bonus	5,825,706
Leave Pay	31,989,803
Voluntary Severance Package Costs	35,069,385
TOTAL:	852,123,471

The 2019/20 salary budget including councillor remuneration amounts to R836, 089,556 being 41% of the overall budget and 56% of total operations.

Likewise, the 2020/21 salary budget amounts to R901, 434,695, also being 44% of the overall budget and 57% of total operations.

Other increases applied to salary related costs based on current trends are as follows:

- J 13% increase for Medical Aid up to the maximum contribution of R4 218.18 by Council
- J 7% increase for Salary linked benefits and 7% for other allowances
- J Overtime has been restricted to Engineering, Community Services, and Corporate Services and capped at R17 million with restrictions to be implemented

-) The essential user re-imbursive costs were capped, during the budget adjustment, at a maximum of 1 000 km that employees on the scheme can claim per month. The status quo remains for 2018/19
-) No allocation has been made for experiential trainees, however the internships funded through LG Seta will continue
-) An amount of R28,382,738 has been budgeted for post-retirement costs, the actual amount will be calculated and provided by actuaries
-) **Provision for doubtful debts** budget is derived by assessing the value of the debtor's book for 2017/18 baseline budget on past consumer payment trends resulting in a need to provide for 80% of the debt book as a provision for bad debts. Through section 154 support, CoGTA has financed the development of the Revenue Enhancement strategy and financial turnaround plan. The provision has been increased by 14.7% in line with the proposed tariff increases, pending the implementation of the strategies.
-) **Collection costs budget** of R1, 144,800 relates to the estimated costs to be paid to the appointed debt collector. Payment is based on an 8% commission fee of monies actually collected. This has been increased by 10% in the outer two years, in anticipation of improved debt collection.
-) **Depreciation and amortization** budget for 2018/19 amounts to R106, 863,736. This budget comprises the depreciation on all of the ADM's assets including infrastructure and software. In the MTREF, the depreciation is no longer cashed back due to the depleted reserves, hence the budget deficit. The levels for the outer two years have increased by 5% in anticipation of additional schemes being commissioned.
-) **Bulk water purchases** are anticipated to **increase by 9.46%** from Amatola Water for next year. The average annual tariff increases by Amatola Water have been 9% while the Municipality on average has only been increasing tariffs by 6%. Bulk water purchases are one of the most significant expenditure items for the municipality and thus contributing to the costs of providing water not being recovered. The 2018/19 final bulk water purchases is budgeted at R100, 672,274. This was reduced by 15% on the average anticipated increase with the 9.46% increase. ADM is to embark on a drive to reduce its bulk water purchases by increasing its efficiencies and reducing its losses. An average increase of 9.46% is anticipated for the both outer years.
-) **Repairs and maintenance** budget, which incorporates all schemes in local municipalities, has increased from R19, 100, 000 in 2017/18 to R31, 241 511 in the 2018/19 budget. This indicates an increase of 64% from the previous year's budget. This is an indication of the municipality's commitment to maintain its existing assets. This level of increase will be maintained in the outer two year as well.
-) **Interest expense** budget of R25, 139, 014 is comprised of the interest portion of the post retirement benefit costs as required in terms of GRAP 25 and R83, 210 interest on finance

lease agreements for the hire of photocopy machines. This is estimated to increase at 6.5% in the outer two years.

- J) **Contracted services** budget of R29, 432,422 includes leasing of properties such as head office and satellite offices and equipment leases for the rental of photocopiers. These have been increased by 10% in the outer two years in line with the average escalation rates as contained in the signed lease agreements.
- J) The 2018/19 budget for **General expenditure** includes items such as municipal services (rates/water/electricity), security, indigent subsidy, ASPIRE operating grant, fuel, chemicals, SALGA membership levies, stipends and Community Based Organizations, audit fees, telephone, insurance, postage and printing and stationery. The 5.5 % inflation forecast level has been used to grow the outer two years.

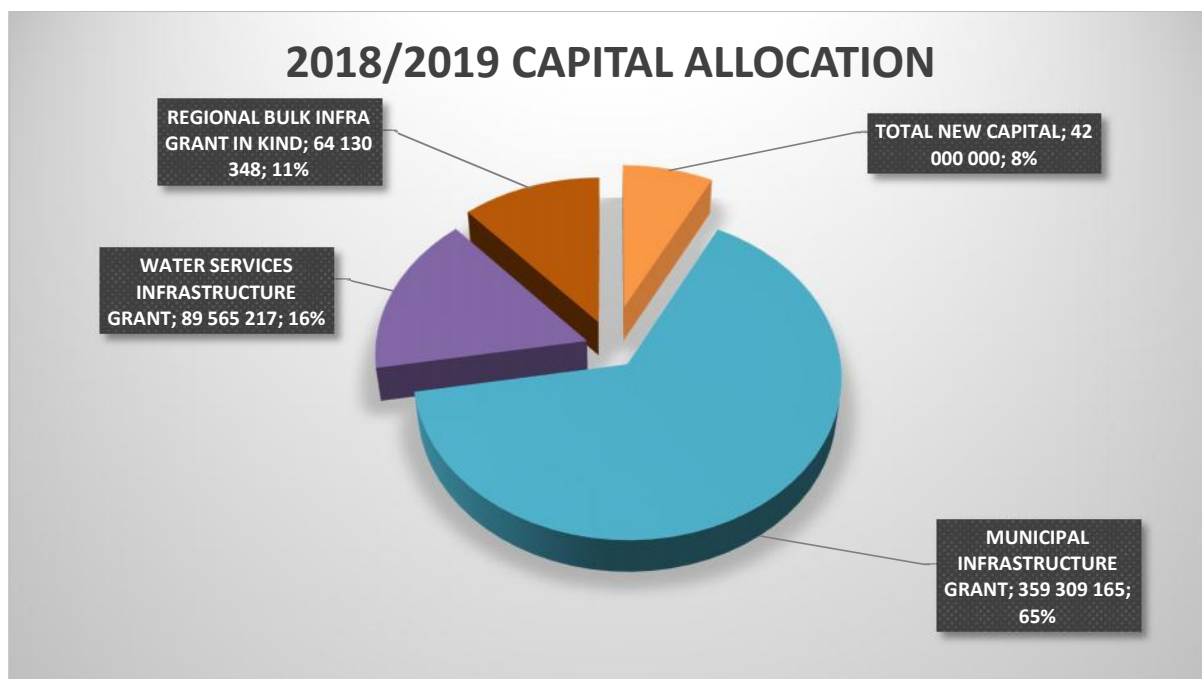
MTREF 2018-2021 CAPITAL BUDGET

The capital budget reflected in the budget utilizes revenue and grants from the national DoRB allocations to fund the budgeted expenditures of **R555,004,730** in 2018/19, **R484,055,313** in 2019/20 and **R542,940,538** in 2020/21. Major sources of funding include the allocation of conditional grants being; **R359, 309,165** Municipal Infrastructure Grant (MIG), **R89, 565,217** Water Services Integrated Grant (WSIG) and **R64,130,348** Regional Bulk Infrastructure Grant (RBIG) for 2018/19. An amount of **R42, 000,000** has been allocated towards the development of the ERP system, ADMaC to be funded from internal sources. Details of the outer two years capital is reflected in the table below.

No External loan funding is included in the MTREF capital budget.

The detail of the projects are annexed

CAPITAL SOURCE (VAT EXCL)	2017/18 R	2018/19 R	2019/20 R	2020/21 R
MIG	363,699,167	359,309,165	367,228,448	389,133,321
WSIG	78,723,158	89,565,217	91, 356,522	96,381,130
RBIG	55,470,247	64,130,348	20,470,343	49,426,087
INTERNALLY FUNDED CAPITAL	39,643,000	42,000,000	5,000,000	8,000,000
TOTAL	537,535,572	555,004,730	484,055,313	542,940,538



CAPITAL BUDGET PER LOCAL MUNICIPALITY (VAT INCLUSIVE)

MIG	2018/19 R	2019/20 R	2020/21 R
PMU Allocation	20,961,600	21,423,600	22,701,500
Amahlathi	31,200,000	57,000,000	47,100,000
Great Kei	8,634,691	35,500,000	48,000,000
Mbhashe	132,235,709	119,048,400	104,040,800
Mnquma	143,100,000	104,000,000	140,187,700
Ngqushwa	21,500,000	30,000,000	20,000,000
Raymond Mhlaba	61,600,000	61,500,000	72,000,000
TOTAL:	419,232,000	428,472,000	454,030,000

RBIG	2018/19 R	2019/20 R	2020/21 R
Mbhashe	70,000,000	3,193,000	26,000,000
Mnquma	2,660,000	20,000,000	30,000,000
TOTAL:	72,660,000	23,193,000	56,000,000

WSIG	2018/19 R	2019/20 R	2020/21 R
ADM Whole-Drought	5,000,000	8,000,000	8,000,000
Amahlathi	29,200,000	13,450,000	25,450,000
Great Kei	9,300,000	26,000,000	2,500,000
Mbhashe	8,500,000	4,000,000	7,500,000
Mnquma	21,500,000	22,000,000	22,750,000
Ngqushwa	-	9,550,000	6,300,000
Raymond Mhlaba	26,500,000	19,000,000	35,110,000
TOTAL:	100,000,000	102,000,000	107,610,000

BUDGET RELATED POLICIES

The following budget related policies shall form the basis for the implementation of the MTREF budget focusing in the implementation of 2018/19. These policies will be added to the budget document:

1. Budget Policy – reviewed with amendments
2. Tariff Policy - reviewed with amendments
3. Indigent Policy – reviewed with amendments
4. Credit control and Debt Collection Policy – reviewed with amendments
5. Investment Policy – reviewed with amendments
6. Banking and Cash Management Policy – reviewed no amendments
7. Asset Management Policy – reviewed with amendments
8. Supply Chain Management Infrastructure Policy – reviewed with amendments
9. Supply Chain Management Goods and Services Policy – reviewed with amendments

Conclusion

The budget as presented in this document meets the requirements of the Municipal Budgeting Reporting and Regulations and the Municipal Finance Management Act 56 of 2003 and is presented to Council for consideration and revision.

STAFF IMPLICATIONS

No staff implications associated with the drafting of this item.

FINANCIAL IMPLICATIONS

The full financial effect of the 2018/19 annual budget is summarized in the attached budget summaries, reflecting an overall annual budget of **R2, 067,683,630**

OTHER PARTIES CONSULTED

- Municipal Manager
- Heads of Departments
- IDP Steering Committee
- IDP/Budget/PMS Representative Forum
- Departmental Budget Teams
- Budget Steering Committee
- All ADM Councillors
- All 6 ADM Local Municipalities

ANNEXURES

ANNEXURES ATTACHED SEPARATELY

Annexure “A”	2017-2022 Integrated Development Plan
Annexure “B”	2018/2019 Service Delivery and Budget Implementation Plan
Annexure “C1-3”	Budgeted Financial Performance (revenue by source and expenditure by type)
Annexure “D1-3”	Graphical Representation of Budgeted Financial Performance – expenditure by type
Annexure “E1-3”	Graphical Representation of Budgeted Financial Performance – revenue by source
Annexure “F1-3”	Capital Budget Source of Funding Summary
Annexure “G1-3”	Graphical Representation of Capital budget Source of Funding
Annexure “H1-3”	Capital per Department
Annexure “I1-3”	Graphical Representation of Capital per Department
Annexure “J”	External Funds
Annexure “K1”	MIG Three Year Capital Plan
Annexure “K2”	RBIG Three Year Capital Plan
Annexure “K3”	WSIG Three Year Capital Plan
Annexure “L1”	Division of Revenue Bill 2018
Annexure “M”	2018/19 Budget versus Prior Year Comparison

Annexure “N1”	Proposed Sundry Water Charges 2018/19
Annexure “N2”	Proposed Water Consumption Tariffs 2018/19
Annexure “N3”	Proposed Water Consumption Tariffs 2018/19 (continued)
Annexure “N4”	Proposed Water Consumption Tariffs 2018/19 (continued)
Annexure “O”	Proposed Sanitation Tariffs 2018/19
Annexure “P”	Proposed Building Plan Fees and Eastern Region Solid Waste Site Tariffs 2018/19
Annexure “Q”	Proposed Calgary Museum & Conference Facility Tariffs 2018/19 and SCM Tariffs for Documents
Annexure “R1-3”	Proposed Fire Services Tariffs 2018/19
Annexure “S1-3”	Proposed Offences & Fines Air Pollution, Waste Management and Municipal Health 2018/19
Annexure “T”	Budget Related Policies 2018/19
Annexure “U”	ASPIRE annual budget 2018/19
Annexure “V”	Schedule A
Annexure “W”	Municipal Manager’s Quality Certificate

RECOMMENDATIONS

- [i] That the Council adopts the 2018/19 reviewed Integrated Development Plan **Annexure “A”**
- [ii] That the below new and reviewed Sector Plans be approved

New Sector Plans

- Enterprise Development Strategy
- Moral Regeneration Movement
- Information Management Plan

Minor Review

- Municipal Health Plan
- Local Economic Development Plan
- Integrated Agricultural Development Plan
- Rural Development Plan

- Disaster Management Plan
- Fire Risk Management Plan
- Communications Strategy
- IT Disaster Recovery - Business Continuity Plan
- Corporate Governance ICT
- Performance Management Framework
- Sport Development Plan
- HIV/AIDS, STI's, TB and Cancer Strategy
- Community Safety Plan
- Geographic Information System Strategy

[iii] That the 2018/2019 Service Delivery and Budget Implementation Plan (SDBIP) be noted **Annexure B**

[iv] That the MTREF Annual Budget of the Amathole District Municipality for the financial year 2018/21 and the multi and single year capital appropriations as set out in Schedule A , Annexure “V” be approved:

Z Budgeted Financial Performance (revenue and expenditure by standard classification)

Z Budgeted Financial Performance (revenue and expenditure by municipal vote)

Z Budgeted Financial Performance (revenue by source and expenditure by type)

Z Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source

[v] That the Council of Amathole District Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2018:

– The tariffs for the supply of water – as set out in **Annexure N1 to N4**

– The tariffs for sanitation services – as set out in **Annexure O**

– The tariffs for Building Plan Fees and Solid Waste Services – as set out in **Annexure P**

– The tariffs for Calgary Museum & Conference Centre as set out in **Annexure Q**

– The tariffs for ADM Fire Services – as set out in **Annexure R1 to R3**

- The tariffs for Fines & Offences: Air Pollution Control, Waste Management & Municipal Health as set out in **Annexure S1 to S3**
- [vi] That ASPIRE's MTREF 2018-2021 annual budget as contained in **Annexure U** be approved
- [vii] That the budget related policies as contained in the **Annexure T** be approved
- [viii] That the Council notes the inclusion of the information as contained in **Annexure "V"** Municipal Annual Budget and MTREF & Supporting Tables - Schedule A format
- [ix] That Council approves the 2018/19 overall annual budget of **R2, 067,683,630** with a deficit of R268, 497,618, and notes the forecast for the outer two years

8.3.3 PROGRESS REPORT ON RESUSCITATION OF AMATHOLE DISTRICT MUNICIPALITY MUNICIPAL MANAGER’S FORUM AND THE DEVELOPMENT OF TERMS OF REFERENCE

File No. 8/13/R]
[Author: Director: Strat /ANT]
[Special MC: 23 May 2018]
[Council : 31 May 2018]

PURPOSE

The purpose of this item is for Council to approve the:

1. Resuscitation of the MMs Forum.
2. Merging of the Technical IGR Forum to the MMs Forum.
3. The reconfiguration and the establishment of the following forums:
 - a) District Wide Infrastructure Forum
 - b) District Wide Planning and Development Forum
 - c) District Finance Forum
 - d) District Corporate Services Forum
 - e) District Community Services Forum
 - f) District Internal Audit Forum

AUTHORITY

-) The Constitution of the Republic of South Africa, of 1996 as amended
-) Local Government Systems Act of 2000 as amended
-) Intergovernmental Relations Framework Act of 2005

STATUTORY /LEGAL REQUIREMENT

Chapter three of the Constitution of the Republic of South Africa, Act No. 108 of 1996 as amended provides for cooperative governance as it applies to the three spheres of government established by the same instrument as distinct, independent and interdependent from and on each other. The Municipal Systems Act no. 32 of 2000 (section 55(1) states that the Municipal Manager, in his capacity as head of administration is, subject to the policy directions of the Municipal Council, responsible and accountable for, among other things.

Furthermore, the Intergovernmental Relations Framework Act No. 13 of 2005 presents “Intergovernmental Relations” as the relationships that arise between different governments or between organs of state from different governments in the conduct of their affairs. This Act further provides for structural and institutional framework for national, provincial and local governments to coordinate their actions towards common goals, in particular the implementation of policy, programme and development priorities for the country as a whole.

BACKGROUND

Taking the cue from the national legislation as indicated herein above as well as whole plethora of pieces of legislation geared towards improved service, the province adopted a Provincial Inter-

Governmental Relations Strategy together with the Protocols of Engagement in 2009 and 2010 respectively as a mechanism to foster coherent and integrated service delivery in the province.

ADM identified that there is a gap between the district and the local municipalities in terms of working relations, planning and sharing information. A administrative decision was taken to resuscitate Municipal Manager's Forum that will be used as a platform for ADM MM to engage with LM Municipal Managers on an integrated district-wide development planning to improve service delivery within the district. Numerous meetings have been held between ADM Municipal Manager and Local Municipal Managers to resuscitate the forum and Terms of reference have been developed and adopted by the Municipal Managers

PURPOSE AND OBJECTIVES OF THE MM'S FORUM

To provide a consultative platform to facilitate, integrate and coordinate the efforts of spheres of government in implementing the IGR Framework Act No. 13 of 2005 within the district municipality. To prepare and ensure integrated district wide report to the DIMAFO having consensus in terms of planning and to find space of sharing best practices.

-) Serving as a catalyst and linkage in ensuring cross-pollination of outcomes taken from district forums to District Municipal Managers Forum.
-) Elevating some of the agenda items to DIMAFO which is the umbrella structure driven by ADM Executive Mayor. A consolidated report /presentation thereof will be presented to both Technical and Political MuniMEC
-) Strengthen Intergovernmental planning through mechanisms to ensure the full participation of local municipalities in IDP processes.
-) Encourage cooperative government through ensuring visible leadership and co-operative decision-making.

STAFF IMPLICATIONS

Office of the Municipal Manager

FINANCIAL IMPLICATIONS

There are no financial implications

OTHER PARTIES CONSULTED

Municipal Managers: Local Municipalities

ATTACHMENTS

Annexure 'A' Terms of Reference for ADM Municipal Manager's Forum

RECOMMENDATIONS

It is recommended that Council approve the:

1. Resuscitation of the MMs Forum.
2. Merging of the Technical IGR Forum to the MMs Forum.
3. The reconfiguration and the establishment of the following forums:
 - a. District Wide Infrastructure Forum
 - b. District Wide Planning and Development Forum
 - c. District Finance Forum
 - d. District Corporate Services Forum
 - e. District Community Services Forum
 - f. District Internal Audit Forum

AMATHOLE DISTRICT MUNICIPALITY



DRAFT TERMS OF REFERENCE MUNICIPAL MANAGE'S FORUM

02 MAY 2018

DRAFT TERMS OF REFERENCE FOR THE AMATHOLE DISTRICT MUNICIPALITY FOR MUNICIPAL MANAGERS FORUM

1. BACKGROUND

Chapter three of the Constitution of the Republic of South Africa, Act No. 108 of 1996 as amended provides for cooperative governance as it applies to the three spheres of government established by the same instrument as distinct, independent and interdependent from and on each other.

Furthermore, the Intergovernmental Relations Framework Act No. 13 of 2005 presents **“intergovernmental relations”** as the relationships that arise between different governments or between organs of state from different governments in the conduct of their affairs. This Act further provides for structural and institutional framework for national, provincial and local governments to coordinate their actions towards common goals, in particular the implementation of policy, programme and development priorities for the country as a whole.

Taking the cue from the national legislation as indicated herein above as well as whole plethora of pieces of legislation geared towards improved service, the province adopted a Provincial Inter-Governmental Relations Strategy together with the Protocols of Engagement in 2009 and 2010 respectively as a mechanism to foster coherent and integrated service delivery in the province.

The strategy was based on an assessment that was done on the state of IGR in the province which found a number of weaknesses in the management of the IGR system including lack of capacity on the secretariat functions, delays in the implementation of decisions of IGR structures, lack of linkages between the various IGR structures, limitations in the communication system within the IGR function, lack of proper coordination and communication of national interventions leading to multiple challenges, and many others.

The vision of the Provincial IGR Strategy is for coordination and cooperation that brings about integrated, effective and efficient governance as well as service delivery with a view to present a seamless government to the people of the province.

The key challenges that we face as a province in broad terms relate to the following areas:

- a) Coordination and integration of provincial and municipal strategic planning is such a manner that provincial and national planning in the province is informed by the national plans, PGDP and IDPs,
- b) The absence of credible single, integrated planning, budgeting and reporting schedule for the province,
- c) On governance, there is devolution of powers that is not always accompanied by capacity-building, concurrent functions like housing also call for maximum cooperation among the spheres as a concurrent function, while public participation among the spheres and between organs of the state remain a bit disjointed.
- d) Understanding of the IGR system and its implications thereof with regard to realization of governmental developmental outcomes.
- e) Managing of joint programmes and projects by the three spheres of government is still a challenge.

To change the situation for the better, the ADM has established Municipal Managers Forum.

2. PURPOSE

To provide a consultative platform to facilitate, integrate and coordinate the efforts of spheres of government in implementing the IGR Framework Act No. 13 of 2005 within the district municipality. To prepare and ensure integrated district wide report to the DIMAFO having consensus in terms of planning and to find space of sharing best practices.

3. STRATEGIC OBJECTIVES

-) Serving as a catalyst and linkage in ensuring cross-pollination of outcomes taken from district forums to District Municipal Managers Forum.
-) Elevating some of the agenda items to DIMAFO which is the umbrella structure driven by ADM Executive Mayor. A consolidated report /presentation thereof will be presented to both Technical and Political MuniMEC
-) Strengthen Intergovernmental planning through mechanisms to ensure the full participation of local municipalities in IDP processes.
-) Encourage cooperative government through ensuring visible leadership and co-operative decision-making.

4. INSTITUTIONAL ARRANGEMENTS

The ADM Municipal Managers Forum is constituted as follows:

- ADM Municipal Manager / AMM: Chairperson
- Local Municipalities' Municipal Managers / AMM
- Aspire CEO
- Local Municipality's Strategic Managers / Directors
- All ADM HODs

5. ROLES & RESPONSIBILITIES

5.1 ADM

- ADM Municipal Manager will chair the meetings of the Municipal Managers Forum and in his absence, his delegated representative.
- The Office of the ADM Municipal Manager will be responsible for coordination of the Municipal Managers forum assisted by ADM Council Support.
- In an effort to improve effectiveness and efficiency of the Forum, the ADM Council Support will provide technical support, inter alia, the following secretariat services:
 - Preparing agendas and issuing notices for Municipal Managers Forum five (5) days before the sitting of the Forum,

TERMS OF REFERENCE FOR MUNICIPAL MANAGERS 3

- LM MMs to submit their reports and presentation to ADM ten (10) working days before the sitting of the Forum
- Taking notes of proceedings and preparing minutes of the meetings and circulate to all within seven working days after the Forum;
- Distributing minutes and resolutions to all members;
- Ensuring that reports / presentations for the meeting are submitted on time;
- Ensuring that action Issues are developed after every meeting, circulated to the responsible officials and progress reported against in the next meeting as part of matters arising.

5.2 Local Municipalities

- Local municipalities must be represented by their Municipal Managers to the Forum.
- In exceptional circumstances, a Municipal Manager may delegate Acting Municipal Manager of that municipality authority to represent the municipality in the Municipal Manager's absence to the Forum. However a Municipal Manager may not absent himself from more than one Municipal Managers Forum in a particular financial year.

6. MATTERS FOR DELIBERATION

- 6.1 The Municipal Managers Forum will deliberate on reports from District Forums and other strategic issues affecting the district.
- 6.2 The following is the list of approved District Forums that will consider all items that fall under the specific KPA as approved by the MM's Forum:
-) District Wide Infrastructure Forum
 -) District Wide Planning and Development Forum
 -) District Finance Forum
 -) District Corporate Services Forum
 -) District Community Services Forum
 -) District Internal Audit Forum

All these Forums will be chaired by relevant ADM Directors / Head of Departments

- 6.3 In order to give effect to 6.1 above, each local municipality will be required to submit a report on the state of governance of that municipality focusing on the 5 KPA's for local government as well as Spatial Planning, indicating key challenges and key interventions required, which will be a standing item for each Municipal Managers Forum.
- 6.4 The Municipal Managers Forum may deliberate on any other strategic matter affecting the municipalities of the Amathole District.

7. FREQUENCY OF THE MEETINGS

- 7.1 Meetings of the Municipal Managers Forum shall convene once every quarter, but a special meeting may be called by the ADM Municipal Manager as and when required.
- 7.2 Every first quarter of the Financial Year and Extended Municipal Manager's Forum which will include all HoDs from LMs will be convened to map the way forward for the Financial Year.
- 7.3 A meeting schedule for a financial year must should be developed and adopted by the Municipal Managers Forum at either its last meeting of the financial year or at the first meeting in the financial year.

Signed and Approved by:

MUNICIPALITY	DESIGNATION	DATE	SIGNATURE
Great Kei Local Municipality	Municipal Manager	02/05/18	
Ngqushwa Local Municipality	Municipal Manager	02/05/18	
Amahlathi Local Municipality	Municipal Manager	02/05/18	
Raymond Mhlaba Local Municipality	Municipal Manager	02/05/18	
Mbashe Local Municipality	Municipal Manager	02/05/18	
Mnquma Local Municipality	Municipal Manager	02/05/18	

Supported by:

Dr. T.T. Mnyimba
ADM Municipal Manager

Date

.....

ITEM 8.4
LOCAL ECONOMIC DEVELOPMENT

8.4.1 REPORT ON THE KEISKAMMAHOEK PETITION SUBMITTED TO MEC ECCOGTA

[File No. 8/7/R]
[Author Director: LHSED/SM]
[MC: 23 May 2018]
[Council : 31 May 2018]

PURPOSE

For Council to approve the report on the Keiskammahoek Petition submitted to MEC of Eastern Cape Cooperative Governance and Traditional Affairs

AUTHORITY

-)] The Constitution of the Republic of South Africa 1996 as amended and Regulations
-)] The Local Government Municipal Systems Act 32 of 2000 as amended
-)] The Municipal Finance Management Act 56 of 2003
-)] The White Paper on Local Government

LEGAL/STATUTORY REQUIREMENTS

-)] Section 17 of the Constitution of the Republic of South Africa states that ‘everyone has the right peacefully, and unarmed, to assemble, to demonstrate, to picket, and to present petitions.
-)] Section 16 (1) of the Municipal Systems Act states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance.
-)] Section C of the White Paper on Local Government states that all spheres of government are obliged to observe the principle of cooperative government put forward in the constitution.
-)] Section 15 of the MFMA states that a municipality may, except where otherwise provided in this Act, incur expenditure only in terms of an approved budget and within the limits of the amounts appropriated for the different votes in an approved budget.

BACKGROUND / REASONING

Recently, Keiskammahoek (Amahlathi Municipality) has been experiencing community unrest. Among other things that led to this scenario are the following:

-)] a petition that was submitted (in 2013) to the then Premier of the Eastern Cape Province and the unfulfilled promises thereafter; even though there are additional items.
-)] Poor service delivery by the local Municipality
-)] Poor condition of infrastructure such as roads
-)] Scholar Transport issue,
-)] Condition of the taxi rank
-)] RDP Houses.
-)] Land claim betterment settlement projects for the nine (9) Keiskammahoek Villages.

There were two (2) issues associated with Amathole District Municipality, that is, Taxi Rank and the Land Claim Betterment Settlement projects.

The community unrests led to the damaging and burning of Amahlathi Local Municipality assets and loss of human life. Seeing that the situation in Keiskammahoek was getting out of hand, the MEC of Cogta tried to intervene but the community leaders insisted that they want the President of the country to intervene as they have lost trust in the Amahlathi Local Municipality. The President assigned Minister of Cooperative governance with the task of finding a lasting solution in the matter. Several meetings where all the relevant departments/ stakeholders were presented by decision makers. ADM was represented by both the Executive Mayor and the Municipal Manager.

ADM was requested to attend to her two issues. Thus, the assessment of the taxi rank was done and costing was estimated to be R750 000.00.

The report presented on the 13th May 2018 has the following resolutions that affect ADM:

- J Taxi Rank:- it is recommended that ADM must meet with the community representatives to ensure that all issues that were raised by community are covered in business (building) plan, and the municipality must be flexible enough to accommodate community interests in final business plan (actually its building plan, renovations).
- J Land Claim:- it is recommended that the Hon MEC for Cogta must facilitate a discussion between ADM, Amahlathi LM, Department of Land Reform, Project Steering Committee and Community Representatives; to develop a clear proposal on how the matter should be handled.

FINANCIAL IMPLICATIONS

There are no financial implications

STAFF IMPLICATIONS

There are no staff implications.

OTHER PARTIES CONSULTED

- J Department of Human Settlements
- J Department of Transport
- J Amahlathi LM
- J Department of Education
- J Keiskammahoek Community Representatives
- J South African Police Services (SAPS)

ATTACHMENTS

Annexure 'A' Keiskammahoek report and template.

RECOMMENDATION

That Council approves the resolutions taken by the Department of Cooperative Governance and Traditional Affairs pertaining to ADM issues as stated in the Keiskammahoek report.

AM AHLATHI MUNICIPAL: KEISKAMMAHOEK RESPONSE PLAN

Response from Provincial Government to Keiskammahoek Petition

Introduction

The purpose of this report is to provide detailed information on the status and progress in resolving the challenges reflected in the petition.

OUTPUTS/ AREA OF SUPPORT	ACTIVITIES	INDICATOR	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
Tarring of the road from Stutterheim via Keiskammahoek to Middledrift	Permanent plan for Amahlathi LM, Multi-year IRM contract: A contract is being evaluated and award is anticipated on 26 March 2018. Contract is for routine maintenance of all Provincial roads in Amahlathi LM, at a frequency of 3 times per year or when need arises. This contract also covers the Stutterheim - to - Middledrift road	Tarred Road Constructed	26 March 2022	Municipal Manager of Amahlathi and HOD Department of Roads Mr Majavu CoGTA Speaker of Amahlathi and Ward Councillors	The road is currently ranked at number 13 on the prioritisation and surfacing (tarring) of this road might be realised in 5 years' time. The DRPW will ensure that the road is in a trafficable condition at all times and will enhance the maintenance by doing patch gravelling on certain sections of the road. The road is also in the plans of SANRAL's Rural Roads Programme and an amount of R24

OUTPUTS/ AREA OF SUPPORT	ACTIVITIES	INDICATOR	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
	<p>) Pothole Repairs (mainly on surface/tarred roads): There is an in-house team currently doing maintenance (fixing) of potholes on provincial roads in Keiskammahoek. This includes surface patching of the portion towards the 4—way stop junction joining Dimbaza (Zabheyi junction). The work currently embarked on is expected to be complete by 6 April 2018</p>				million is set aside for regravelling over MTEF
Internal roads in villages to be upgraded and blading	<p>) Blading and patching of gravel roads: This is also a continuous programme in various areas of Amahlathi Local Municipality. The team established in Keiskammahoek on 15 March 2018 and</p>	Improved conditions of access roads	Ongoing	<p>HOD Public Works</p> <p>Municipal Manager of Amahlathi,</p>	DRPW is currently maintaining Provincial roads (surfaced and gravel) in the area using its in-house teams. Long term contract for routine roads maintenance is under evaluation and

OUTPUTS/ AREA OF SUPPORT	ACTIVITIES	INDICATOR	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
	<p>started working on the 16 March 2018.</p> <p>) However, the department was advised of looming protests in the area and the equipment (i.e. grader) was removed from site due to fear of vandalism.</p> <p>) The team is currently idling and is expected to resume on 26 March 2018. The team has been strengthened by the involvement of the patch gravelling unit that will focus mainly on SS Gida – Upper Mnyameni road</p>			<p>Mr Majavu Cogta</p> <p>Speaker of Amahlathi and Ward Councillors</p>	award is expected on 26 March 2018
	<p>) Department of Roads and Amahlathi municipality must present a plan for Tarring of the road</p>	Improved conditions of access roads	Ongoing	Municipal Manager of Amahlathi,	MIG and road maintenance is on-going. The Municipality has a maintenance plan which includes levelling, and blading of Keiskammahoek Access roads. The Plan has a list

OUTPUTS/ AREA OF SUPPORT	ACTIVITIES	INDICATOR	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
				Mr Majavu CoGTA Speaker of Amahlathi and Ward Councillors	of all the Access and internal roads which have already been graded and those to be graded. Attachment (Maintenance Plan) From the 13 Wards the Municipality has identified roads that should be constructed in the next financial year (18/19) a Cata internal roads Gxulu internal roads Rabula internal roads. Attached is the Procurement plan with dates for the implementation of the projects
Restructuring of Taxi Rank to suit	) Municipality must present a plan for the improvement of the taxi rank with timeframes	Improved condition of taxi rank	Ongoing	Municipal Manager of Amahlathi, Municipal Manager Amatole	Amathole District Municipality has done assessment and costing of the Taxi Rank. During assessment, Municipal

OUTPUTS/ AREA OF SUPPORT	ACTIVITIES	INDICATOR	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
all weather conditions	Ward Councillor must coordinate community meeting to brief communities about the municipal development plans			Mr Majavu Cogta Speaker of Amahlathi and Ward Councillors	Officials went on site and also got information from different sources. Current costing for the renovations of the ranks is at R750 000.00, it will be renovated as of the first of July 2018. Aspire has developed a Local Spatial Development Framework for Keiskammahoek, that will identify areas that have a huge potential for development- - development Nodes or Economic Zones. This will promote synchronised planning and development.
	The ADM will appoint a service provider to do the assessment on 30 March 2018	Improved condition of the taxi-rank	13 April 2018	Municipal Manager of Amatole District Municipality	ADM is initiating procurement of the service provider

OUTPUTS/ AREA OF SUPPORT	ACTIVITIES	INDICATOR	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
	<ul style="list-style-type: none"> Business plan will be made available on the 13 April 2018 				
Upgrading of all sport facilities	<ul style="list-style-type: none"> The municipality and Department of Sport must present plans with timeframes Ward Councillor must coordinate community meeting to brief communities about the municipal development plans 	Improved sport facilities	Ongoing	<p>Municipal Manager of Amahlathi and HOD Department of Sport Mr Majavu Cogta</p> <p>Speaker of Amahlathi and Ward Councillors</p>	The Department of sport does not have mandate and budget for building of sport facilities. However Amahlathi LM has allocated in 2017/18 15% of MIG to Mlungisi Sport Field. Amahlathi LM will re-view its outer financial years to accommodate Sports facility in Keiskammahoek.
Construction of fire station in Keiskammahoek	<ul style="list-style-type: none"> Municipality must present the development plans for the fire station Ward Councillor must coordinate community meeting to brief communities about the municipal development plans 	Construction of the Fire Station	31 July 2018	<p>Municipal Manager of Amahlathi and Municipal Manager of Amatole DM</p> <p>Mr Majavu Cogta</p> <p>Miss Nohashe Cogta</p>	Designs are about to be completed and project will officially be constructed in 2018/19

OUTPUTS/ AREA OF SUPPORT	ACTIVITIES	INDICATOR	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
				Speaker of Amahlathi and Ward Councillors	
Communication between Councillors and communities	<ul style="list-style-type: none">) IDP approved document, Municipality must present Public Participation, Petition Management Policy, Stakeholders strategy and Social Cohesion Programmes or activities to communities) Municipality to present the schedule of ward committee meetings sitting) Municipality present a schedule of sitting of ward war rooms) Municipality must present schedule of engagement with stakeholders i.e. business community, traditional leaders, taxi association, professional, youth, 	Municipality Integrated Development Plan influenced by community Priorities	Ongoing	<p>Mayor, Speaker, Municipal Manager and Municipality Management</p> <p>Cogta MPP&RR Mr Madyibi & Mr Ntontela</p> <p>Cogta IDP Miss Yose</p>	<p>The municipality do have the War-rooms schedule of meetings</p> <p>The municipality do have a Petitions Policy, Public Participation Strategy, Draft Public Participation Plan 2018/19, Feedback Mechanisms, Ward Operational Plan Framework, Schedule of ward Committee Meetings. The municipality will improve and intensify the engagement plans with stakeholders in particular Business, Traditional Leaders. Professional and other stakeholders</p>

OUTPUTS/ AREA OF SUPPORT	ACTIVITIES	INDICATOR	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
	churches or faith community stakeholders, sports bodies				
Vukile Tshwete High School Constructed (9 classrooms, Lab, Multipurpose classroom, 2 Computer rooms, Office Block, Nutrition Centre, 14 toilets.	<ul style="list-style-type: none">) Building plans have been approved by the municipality) A scope of work approved) Fencing of the new site done 	Project has achieved all necessary planning design approvals for a value more than R45m.	December 2017	Head of Department Education	Department of Education working with Amahlathi municipality will popularise the project through a clear communication strategy
	<ul style="list-style-type: none">) Project budgeted for by DOE, is included in the 2018/19 B5 project list to be implemented from 18/19 financial year. 	<ul style="list-style-type: none"> • Out on contractor procurement or tender advertisement • site hand-over to the contractor 	<p>First week of April 2018</p> <p>3rd quarter of 2018/19</p>	DOE and Coega Development Cooperation as an Implementing Agent	Department of Education working with Amahlathi municipality will popularise the project through a clear communication strategy

OUTPUTS/ AREA OF SUPPORT	ACTIVITIES	INDICATOR	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
Scholar transport to be provided	<p>The Department of transport was required to provide detailed information about students transported, Sonwabile and Thembelani schools are affected that are on the list of schools that are provided scholar transport. The department of transport is transporting 206 learners in Keiskammahoek from the following schools:</p> <ul style="list-style-type: none">) Zingcuka JSS 29 Learners) Maliza JSS 18 Learners) Sonwabile JSS 51 Learners) Thembelani JSS 18 Learners) Ulana SSS 30 Learners) Sivuyile PS 60 learners 	Students transported	Ongoing	Head of Department Transport	Department of Transport working with Amahlathi municipality will popularise the project through a clear communication strategy
Building of RDP houses	) Human Settlement to present plans for housing	Houses built for communities	26 March 2018	Head of Department Human Settlement	Human Settlement has one project in Keiskammahoek for

OUTPUTS/ AREA OF SUPPORT	ACTIVITIES	INDICATOR	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
	<p>) Municipality to present IDP plans for housing</p>				<p>1255 beneficiaries. It is phased into 2 projects</p> <p>1. Phase 1 Masicendane 200 destitute under construction in the 18/19 Fin year.</p> <p>Progress</p> <p>33 houses@ finishing stage</p> <p>54 houses@ various stage of construction</p> <p>113 houses not started and will be completed in the 18/19 financial year</p> <p>2. Phase 2: Masicendane 1025</p> <p>18/19 Planning(social facilitation, beneficiary administration, geotechnical investigation, foundation design, etc.)</p> <p>19/20 construction of 530 houses</p> <p>20/21 construction of 525 houses.</p>

OUTPUTS/ AREA OF SUPPORT	ACTIVITIES	INDICATOR	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
					SOPHUMELELE RECTIFICATION : Old location with defective houses. Assessment of defective houses has been done by NHBRC. Due to National Dept. directive rectification programme has been put on hold.
Construction of health facilities	Department of Health plans for improvement and construction of Health facilities:) Currently (Phase 1) there is plan for Repairs and Renovations, The Tender is in procurement (Bid Evaluation Committee) Project Estimate is R20m. SCMU3-17/18-0247-HO	Improved health infrastructure	BAC: 20 April 2018 I-BAC: 09 May 2018 Site Handover: 15 June 2018 Completion: 15 October 2019 Project Duration: 15 Months BAC: 20 April 2018 Site Handover: 1 June 2018	Head of Department Health Mr Majavu Cogta	Department of Health working with Amahlathi municipality will popularise the project through a clear communication strategy

OUTPUTS/ AREA OF SUPPORT	ACTIVITIES	INDICATOR	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
	<p>) The Department is also planning to construct a high security fence and some improvements to the Guardhouse to increase security and keep out stray animals. The Tender is in procurement (Bid Evaluation Committee) Project Estimate is R5m. SCMU3-17/18-0255-HO</p> <p>) The Department has also decentralised maintenance budgets to Districts the office and facilities e.g. District Hospitals like SS Gida as a way to quickly respond to first line maintenance issues at these facilities with effect from 01 April 2018.</p>		<p>Completion: 01 December 2018</p> <p>Project Duration: 6 Months</p> <p>01 April 2018</p>		

OUTPUTS/ AREA OF SUPPORT	ACTIVITIES	INDICATOR	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
	<p>This decision is expected to reduce the turnaround time taken to respond to first line maintenance issues e.g blocked toilets, leaking taps, grass cutting etc.</p> <p>) In the long term plan (Phase 2), The Department is planning to embark on a total refurbishment of SS Gida Hospital as funds become available</p>		10 Year Plan (U-Amp		
Resuscitated Land Claim Betterment Projects for the 9 Keiskammahoek Villages	<p>) Facilitate a political solution for a conducive environment for ADM to finish the identified projects OR</p> <p>) Facilitate a process that enables Amahlathi LM to be the Implementing Agent for the 9 Keiskammahoek Villages</p>	) Completion of the outstanding R20m worth of projects.	<p>Facilitate a political solution by end April 2018</p> <p>ADM to communicate with the Communities to determine the Implementing Agency status to</p>	<p>Municipal Manager: ADM Municipal Manager: ALM Director – General: Rural Development & Agrarian Reform HoD: EC COGTA</p>	<p>Projects have stopped due to PSC's demands that a section 21 company of their own choice be appointed as an implementing agent, thus nullifying the Settlement Agreement and Funds. Agreement (that ADM be an implementing Agent. This has happened after several Court interdicts,</p>

OUTPUTS/ AREA OF SUPPORT	ACTIVITIES	INDICATOR	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
			Amahlathi LM for the project to be resuscitated by 01 July 2018		the latest being in 2013 and 2015.

ITEM 8.5 POLICIES

POLICIES PACKED SEPARATELY

8.5.1 REPORT ON THE AMATHOLE DISTRICT MUNICIPALITY MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT POLICIES

[File No: 3/2/5/2/3]

[Author: Director: Corporate Services: MD/sn]

[Council: 31 May 2018]

PURPOSE

For the Council to approve the following Municipal Transformation And Organisational Development policies:

- (a) ADM Internship Policy
- (b) Training And Development Policy For Officials
 - © Training And Development Policy For Councillors
- (d) ADM Learnership Policy
- (e) Recruitment And Selection Policy
- (f) Transfer And Secondment Policy
- (g) ADM Bereavement Policy
- (h) Workplace Integrated Learning (WIL) Policy
- (i) Workplace HIV/AIDS & Chronic Illnesses Policy
- m. ADM Leave Policy
- n. Relocation Policy
- o. Job Evaluation Policy

AUTHORITY

- The Local Government Municipal Systems Act 32 of 2000.
- The Constitution of the Republic of South Africa, 1996 as amended.
- Employment Equity Act No. 55 of 1998.
- ADM Recruitment and Selection Policy.
- Basic Conditions of Employment Act No. 75 of 1997
- Employment Equity Act No. 55 of 1998
- Labour Relations Act, No. 66 of 1995
- Occupational Health & Safety Act, No. 85 of 1993
- Compensation for Occupational Injuries and Diseases Act, No. 130 of 1993
- The Skills Development Act, No. 9 of 1999
- The ADM Training and Development Policy

LEGAL / STATUTORY REQUIREMENTS

Government Gazette No. 37245 - Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers dated 17 January 2014.

BACKGROUND / REASONING

On the 04 to 08 February 2018, the Amathole District Municipality Management held a Technical Strategic Planning session to discuss among other things policies, either new or others for reviewal. This was necessitated by the fact that there has been changes in legislation and or some institutional arrangements. Subsequently all policies were presented to an Institutional Strategic Planning Session and to Council on the 28 March 2018 as drafts. Council approved the draft policies for further refinement and be submitted for approval in the May 2018 Council meeting. Management has effected all the changes as per inputs received from the relevant departments.

OTHER PARTIES CONSULTED

Councillors and Traditional Leaders
HODs
Senior Management

STAFF IMPLICATIONS

There are no staff implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

ATTACHMENTS

Annexures “A-L: Policies

RECOMMENDATION

That the Council approves the following Municipal Transformation And Organisational Development policies:

- (a) ADM Internship Policy
- (b) Training And Development Policy For Officials
 - © Training And Development Policy For Councillors
- (d) ADM Learnership Policy
- (e) Recruitment And Selection Policy
- (f) Transfer And Secondment Policy
- (g) ADM Bereavement Policy
- (h) Workplace Integrated Learning (WIL) Policy
- (i) Workplace HIV/AIDS & Chronic Illnesses Policy
- (j) ADM Leave Policy
- (k) Relocation Policy
- (l) Job Evaluation Policy

8.5.2 REPORT ON THE AMATHOLE DISTRICT MUNICIPAL FINANCIAL VIABILITY POLICIES

[File No: 3/2/5/2/1]

[Author: Acting Chief Financial Officer:SK/fn]

[Council: 31 May 2018]

PURPOSE

For the Council to approve the following Municipal Financial Viability policies.

- a) Asset Management Policy
- b) Insurance Management Policy & Procedure Manual Review
- c) Investment Policy
- d) Banking And Cash Management Policy (No Proposed Changes)
- e) Budget Policy
- f) Tariff Policy
- g) Indigent Policy
- h) Credit Control And Debt Collection Policy

AUTHORITY

The Local Government: Municipal Systems Act No. 32 of 2000

The Municipal Finance Management Act No. 56 of 2003

The Municipal Supply chain management regulations.

The Water Services Act No. 108 of 1997

The Amathole District Municipality Debt Management and Credit Control Policy

The Amathole District Municipality Tariff Policy

The Amathole District Municipality Indigent Policy

LEGAL/STATUTORY REQUIREMENTS

-) In terms of Section 74 (1) of the Municipal Systems Act, 32 of 2000, the municipal council of Amathole District Municipality (ADM), must adopt and implement a tariff policy on the levying of fees for municipal services provided by the Municipality itself or by way of service delivery agreements and which complies with the provisions of the Systems Act, the Municipal Finance Management Act and any other applicable legislation.
-) In terms of section 62. (1) (f) of the Local Government: Municipal Finance Management Act, the Accounting Officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and implements a tariff policy referred to in section 74 of the Municipal Systems Act;
-) Section 75(a) of the Municipal System's Act, No. 32 of 2000 states that a municipality may levy and recover fees, charges or tariffs in respect of any function or service of the municipality.
-) The last section of all Revenue Management policies states that they should be reviewed annually.

- J In terms of Section 104 (1) (1) of the Municipal System Act, 32 of 2000, Municipality must develop and implement the indigent policy
- J Section 96 of Municipal Systems Act, 32 of 2000, a Municipality must adopt, maintain, implement a Debt Management and Credit Control policy which is consistent with its rates and tariff policy and complies with the provisions of this act.
- J Banking and Cash policy, Investment policy – legislation MFMA section 7 to 13,36,45,46,47,64 and 65

BACKGROUND / REASONING

On the 04 to 08 February 2018, the Amathole District Municipality Management held a Technical Strategic Planning session to discuss among other things policies, either new or others for review. This was necessitated by the fact that there has been changes in legislation and or some institutional arrangements. Subsequently all policies were presented to an Institutional Strategic Planning Session and to Council on the 28 March 2018 as drafts. Council approved the draft policies for further refinement and resolved that the final draft policies be submitted for approval in the May 2018 Council meeting. Management has effected all the changes as per inputs received from the relevant departments.

OTHER PARTIES CONSULTED

Councillors and Traditional Leaders
HODs
Senior Management

STAFF IMPLICATIONS

There are no staff implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

ATTACHMENTS

Annexures “A-H: Policies

RECOMMENDATION

That the Council approves the following Municipal Financial Viability policies.

- a) Asset Management Policy
- b) Insurance Management Policy & Procedure Manual Review
- c) Investment Policy
- d) Banking And Cash Management Policy
- e) Budget Policy
- f) Tariff Policy
- g) Indigent Policy
- h) Credit Control And Debt Collection Policy

8.5.3 REPORT ON THE AMATHOLE DISTRICT MUNICIPALITY GOOD GOVERNANCE AND PUBLIC PARTICIPATION POLICIES

[File No: -3/2/5/2/3]

[Author: Directors: LESS/LS: Strategic Planning and Management: AT/sp/sm]

[Council: 31 May 2018]

PURPOSE

- i. For Council to repeal the following policies, (i) Acceptable User Policy, (ii) Password Policy, (iii) Malicious Code Policy, (iv) Email Policy, (v) Laptop & Desktop Security Policy, (vi) User Access Control Policy.
- ii. For Council to approve the following Good Governance And Public Participation policies:
 - (a) Policy On Appointment Of ARC Members
 - (b) Reviewed ADM Communications Policy
 - (c) Backup Policy
 - (d) Business Continuity Policy
 - (e) Change Management Policy
 - (f) Information Storage Policy
 - (g) IT Security Policy
 - (h) Software Licensing Policy
 - (i) System Management
 - (j) Access Control Policy
 - (k) Risk Management Policy
 - (l) Mayoral Social Responsibility Fund Policy
 - (m) Public Participation & Petitions Policy Framework
 - (n) Employee Performance Management Policy And Procedure

AUTHORITY

The Municipal Finance Management Act 56 of 2003

LEGAL / STATUTORY REQUIREMENTS

Section 166 of the Municipal Financial Management Act 56 of 2003 requires that each municipality or municipal entity must have an Audit Committee.

BACKGROUND / REASONING

On the 04 to 08 February 2018, the Amathole District Municipality Management held a Technical Strategic Planning session to discuss among other things policies, either new or others for review. This was necessitated by the fact that there has been changes in legislation and or some institutional arrangements. Subsequently all policies were presented to an Institutional Strategic Planning Session and to Council on the 28 March 2018 as drafts. Council approved the draft policies for further refinement and resolved that the final draft policies be submitted for approval in the May 2018 Council meeting. Management has effected all the changes as per inputs received from the relevant departments.

PURPOSE OF CONSOLIDATING IT POLICIES.

To define the security requirements for the proper and secure use of the Information Technology services at ADM. Its goal is to protect the ADM and users to the maximum extent possible against security threats that could jeopardize their integrity, privacy, reputation and business outcomes.

The rationale behind the consolidation is as a result of the recommendation from due to the lack of oversight as IT governance structures and policies that were not functional

OTHER PARTIES CONSULTED

Councillors and Traditional Leaders
HODs
Senior Management

STAFF IMPLICATIONS

There are no staff implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

ATTACHMENTS

Annexures “A-N: Policies

RECOMMENDATIONS

- i. That Council approves the consolidation of the following policies into one being, Information Security Policy.
 - Acceptable User Policy
 - Malicious Code Policy
 - Password Policy
 - Email Policy Laptop & Desktop Security Policy
 - User Access Control Policy
- ii. That the Council approves the following Good Governance And Public Participation Policies:
 - (a) Policy On Appointment Of ARC Members
 - (b) Reviewed ADM Communications Policy
 - © Backup Policy
 - (d) Business Continuity Policy
 - (e) Change Management Policy
 - (f) Information Storage Policy
 - (g) IT Security Policy
 - (h) Software Licensing Policy
 - (i) System Management
 - (j) Access Control Policy
 - (k) Risk Management Policy
 - (m) Public Participation & Petitions Policy Framework
 - (n) Employee Performance Management Policy And Procedure

8.5.4 REPORT ON THE AMATHOLE DISTRICT MUNICIPALITY LOCAL ECONOMIC DEVELOPMENT POLICIES

[File No: -3/2/5/2/3]

[Author: Directors: LHSED: SM/at]

[Council: 31 May 2018]

PURPOSE

For the Council to approve the following Local Economic Development policy:

- Draft EPWP Policy For 2018/19 Financial Year.

AUTHORITY

-) Constitution of South Africa of 1996 as amended.
-) Division of Revenue (DoRA)
-) Ministerial Conditions on Basic Employment Act on EPWP, 2009
-) Municipal Systems Act 32 of 2000
-) Municipal Finance Management Act 200
-) EPWP Guidelines of 2004

LEGAL / STATUTORY REQUIREMENTS

- The Constitution of the Republic of South Africa, of 1996 chapter 7(153) requires a municipality to structure and manage its administration, budget and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.
- Section 166 of the Municipal Financial Management Act 56 of 2003 requires that each Municipality or municipal entity must have an Audit Committee.

BACKGROUND / REASONING

On the 04 to 08 February 2018, the Amathole District Municipality Management held a Technical Strategic Planning session to discuss among other things policies, either new or others for reviewal. This was necessitated by the fact that there has been changes in legislation and or some institutional arrangements. Subsequently all policies were presented to an Institutional Strategic Planning Session and to Council on the 28 March 2018 as drafts. Council approved the draft policies for further refinement and resolved that the final draft policies be submitted for approval in the May 2018 Council meeting. Management has effected all the changes as per inputs received from the relevant departments.

OTHER PARTIES CONSULTED

Councillors and Traditional Leaders
HODs
Senior Management

STAFF IMPLICATIONS

There are no staff implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

ATTACHMENTS

Annexures “A: Draft EPWP Policy For 2018/19 Financial Year.

RECOMMENDATION

That the Council approves the following Local Economic Development policy:

- Draft EPWP Policy For 2018/19 Financial Year.

8.5.5 REPORT ON THE AMATHOLE DISTRICT MUNICIPALITY BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT POLICIES

[File No: 3/2/5/2/4]

[Author: Directors: Engineering Services: LG/Community Services:YHM]

[Council: 31 May 2018]

PURPOSE

For the Council to approve the following Basic Service Delivery And Infrastructure Investment policies.

- a) Draft Disposal Of The Dead Policy
- b) Draft By-Law Implementation and Enforcement Policy
- c) Milk Management Policy
- d) Rural Yard /Erf Water Connection Policy
- e) Water Services Provider Asset Maintenance And Renewal Policy

AUTHORITY AND LEGISLATIVE/ STATUTORY REQUIREMENTS

- Constitution of the Republic of South Africa, 1996
- Municipal Structures Act, 117 of 1998
- Municipal Systems Act, 32 of 2000
- National Health Act 61 of 2003
- Regulations Relating to the Management of Human Remains, Government Notice No. 363 of 22 May 2013
- Regulation No 961, regulations relating to hygiene requirements for milking sheds, the transport of milk and related matters.
- Regulation 1555 regulations relating to milk and Dairy Products

LEGAL / STATUTORY REQUIREMENTS

- **section1of the National Health Act 61 of 2003**
- **Regulations Relating to the Management of Human Remains, Government Notice No. 363 of 22 May 2013** under the Health Act 61 of 2003 states that no person shall prepare or store any human except on approved funeral undertaker's premises or mortuary in respect of which a Certificate of Competence has been issued.
- **Criminal Procedure Act, 51 of 1977**
The Criminal Procedure Act outlines procedures relating to law enforcement and prosecution. In terms of By-Law Policing it prescribes procedures regarding written notices, summonses, confiscation of evidence, arrests and the determination of by-law fines.

Amathole District Municipality Asset Management Policy (2016), in paragraph 4.4 of version 3, obligates the Heads of Department to ensure the proper maintenance of assets under their control. Whilst the policy captures a mandate for the maintenance of the infrastructure assets of the municipality, there is a need to further articulate this mandate based upon leading practice and applicable Government guidelines.

In addition to the regulatory framework contained in the ADM's Asset Management Policy, the following documents are relevant and were used as key inputs for the Water Services Provider Asset Maintenance and Asset Renewal Policy:

- a) **Municipal Finance Management Act, Local Government Capital Asset Management Guideline published by the National Treasury Department (2008).**
 -) *Effective asset management will maximise the service potential of existing assets by ensuring that they are appropriately used; maintained, safeguarded and that risks are mitigated;*
 -) *The municipality should adopt an integrated approach to asset management which includes formulating an asset management strategy consisting of detailed plans for acquisitions and replacements, operation and maintenance as well as disposals in terms of the municipality's policies.*
- b) **The Department of Provincial & Local Government (Now the Department of Cooperative Governance and Traditional Affairs) "Guidelines for Infrastructure Asset Management in Local Government" (2007).**
 -) *The municipality's asset management strategy must define key infrastructure management processes and procedures, including the preparation of an operation and maintenance plan for each network*
- c) **The Department of Provincial & Local Government (Now the Department of Cooperative Governance and Traditional Affairs) "Guidelines for Infrastructure Asset Management in Local Government" (2007).**
 -) *The document has been approved by National Cabinet and therefore provides a very strong mandate for infrastructure maintenance to be undertaken.*
- d) **International Infrastructure Management Manual co-authored by Institute of Municipal Engineering of Southern Africa IMESA (2011).**
 -) *The document represents best practice asset management methodologies and contains a detailed description of maintenance management planning approaches*

BACKGROUND / REASONING

On the 04 to 08 February 2018, the Amathole District Municipality Management held a Technical Strategic Planning session to discuss among other things policies, either new or others for reviewal. This was necessitated by the fact that there has been changes in legislation and or some institutional arrangements. Subsequently all policies were presented to an Institutional Strategic Planning Session and to Council on the 28 March 2018 as drafts. Council approved the draft policies for further refinement and resolved that the final draft policies be submitted for approval in the May 2018 Council meeting. Management has effected all the changes as per inputs received from the relevant departments.

OTHER PARTIES CONSULTED

Councillors and Traditional Leaders
HODs
Senior Management

STAFF IMPLICATIONS

There are no staff implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

ATTACHMENTS

Annexures “A-E: Policies

RECOMMENDATIONS

That the Council approves the following Basic Service Delivery And Infrastructure Investment policies.

- (a) Draft Disposal Of The Dead Policy
- (b) Draft By-Law Implementation and Enforcement Policy
- (c) Milk Management Policy
- (d) Rural Yard /Erf Water Connection Policy
- (e) Water Services Provider Asset Maintenance And Renewal Policy

LEGISLATIVE REPORTS

ITEM 9.1
REPORTS BY THE SPEAKER

9.1.1 REPORT ON THE FUNCTIONING OF COUNCIL AND ITS COMMITTEES FOR THE THIRD QUARTER (JANUARY TO MARCH 2018 (BL/LS 7)

[File No: 3/2/2/2/3]
[Author: Director: LESS/LS/lft]
[Council: 31 May 2018]

PURPOSE

For the Council to note the assessment report on the functionality of Council and its Committees for the third quarter (January to March 2018).

AUTHORITY

-) The Constitution of the Republic of South Africa, 1996 as amended.
-) The Local Government Municipal Structures Act, 117 of 1998 as amended
-) The Local Government Municipal Systems Act 32 of 2000 as amended
-) The Standing Rules of Amathole District Municipality.
-) The ADM 2017/2018 LESS SDBIP
-) ADM Approved Tool for assessment of Council and its Committees

LEGAL / STATUTORY REQUIREMENTS

-) **Section 160(1) of the Constitution of the Republic of South Africa, 1996** as amended provides for a municipality to make decisions concerning the exercise of all the powers and performance of all the functions of the municipality as well establishment of any committees for this purpose subject to national legislation.
-) **Section 79 of the Local Government Municipal Structures Act 117 of 1998** provides for a Municipal Council to establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers of council and the allocation of councillors to committees in line with principles of democracy.
-) **Section 53(1) of the Local Government Municipal Systems Act (Act 32 of 2000 as amended)** provides for a municipality to define the specific roles and areas of responsibility of each political structure and political office bearer of the municipality and of the municipal manager.
-) **Chapter 14 of the Standing Rules** provide for the establishment of Committees, the allocation of councillors to Committees and the appointment of Chairpersons of Committees.

BACKGROUND / REASONING

The ADM Council established a number of Committees to facilitate for effective performance of its functions and efficient delivery of services to the Communities. The Committees are categorized as:

-) Section 79 Committees which report to the Council and,

J Section 80 Committees which assist the Executive Mayor in the performance of his/her functions.

Through the Governance Framework, the Committees were aligned to the Local Government Key Performance Areas and their Terms of Reference and reporting are redefined for effective monitoring of the Integrated Development Plan.

With the exception of the Rules Committee and the Ethics Committee, all Committees meet according to a schedule of meetings as approved by the Council. An assessment of the functionality of Council Committees is a measure of whether the Committees have held meetings and made recommendations as required in their respective Terms of Reference.

As per LESS 2014/15 Operational Plan, the department developed an Assessment Tool to be used to assess the functionality of Council and its Committees. The tool was intended to give a comprehensive assessment of performance of Council Committees including adherence to Terms of Reference, quality of discussions and relevance to ADM's development objectives. The tool was approved by Council on 27 March 2015.

The Committees receive and deal with reports from the Administration, which provides information on progress and challenges in the implementation of the Integrated Development Plan. Meetings of the Committees are important in facilitating for decision making process towards delivery of services to communities.

Annually the ADM Council adopts an institutional calendar of events with dates for each of the Committees to ensure a structured and systematic approach to the work of the Committees. The following is the list of Committees and the scheduled dates of their meetings with an indication of whether they met as scheduled and what have been the challenges.

NAME OF THE COMMITTEE	DATE OF THE MEETING	STATUS OF THE MEETING
1. Council	31 January 2018	Convened
	28 February 2018 (Special meeting)	Convened
	28 March 2018	Convened
2. Mayoral Committee	19 January 2018 (Special meeting)	Convened
	21 February 2018	Rescheduled to 26 February 2018
	26 February 2018	Convened
	19 March 2018 (Special meeting)	Convened
3. MTI	13 February 2018	Convened
4. MFV	13 February 2018	Convened
5. LED	01 February 2018	Convened
6. GGP	01 February 2018	Convened
7. SDI	17 January 2018	Did not sit due to a lack of a quorum

	07 March 2018	Convened
8. MPAC	17 January 2018	Did not sit due to a lack of a quorum
	08 March 2018	Convened
9. Women's Caucus Steering Committee	01 February 2018	Did not sit as Chairperson not elected yet
10. Audit Committee	12 February 2018	Convened
11. Joint PAC/ARC/MPAC	None scheduled for the quarter	
12. Ethics Committee	02 March 2018	Convened
13. Whips Committee	24 January 2018	Convened
	22 February 2018	Convened
	22 March 2018	Convened
14. Rules Committee	None scheduled for the quarter	

The table above reflects that six (6) Standing Committee meetings were scheduled for the quarter and one meeting, namely, SDI of 17 January 2018 did not sit due to unavailability of members. The MPAC of 17 January 2018 did not have a quorum as only two Councillors and one Traditional Leader attended the meeting. The Women's Caucus Steering Committee has not sat as yet for the past three quarters due to it not having a Chairperson.

ASSESSMENT OF SITTING OF MEETINGS FOR THE THIRD QUARTER (JANUARY TO MARCH 2018)

It is worth mentioning that for the quarter January to March 2018, seventeen (17) meetings were scheduled, three Council meetings were held during this quarter.

However due to institutional arrangements the ADM calendar had to be reviewed and seventeen (18) meetings had sat successfully. The Rules Committee will sit when a need arises and it has not sat for the period under review. The Women's Caucus Steering Committee meeting has not sat yet, reason being that there is no Chairperson as yet to convene the meetings. The Municipal Public Accounts Committee that was scheduled for 17 January 2018 did not sit as there was no quorum. Also the SDI Standing Committee that was scheduled for 17 January 2018 did not have a quorum, however the items that were supposed to be discussed by the Committee were submitted for consideration by the Mayoral Committee.

The non-sitting of the Committee meetings has a negative effect on the effectiveness of Council as Committees are supposed to discuss reports and make recommendations for Council to make informed decisions.

ASSESSMENT OF COUNCILLOR ATTENDANCE FOR ALL MEETINGS (JANUARY TO MARCH 2018)

Meeting Name	Date of meeting	Number of Councillors	Number of T/Leaders	Councillors that had attended	T/leaders that had attended	% attendance (Cllrs)	Comments
Council	31 January 2018	47	09	33	08	70.2%	The Council meetings were well attended and this ensured maximum participation of Councillors from all political parties. For Council meetings there has been no meeting where there was no quorum.
	28 February 2018 (Special meeting)	47	09	36	08	76.6%	
	28 March 2018	47	09	35	07	74.45%	
MTI	13 February 2018	09	01	05	01	55.5%	The Committee did not perform well during this quarter as it did not sit as scheduled due a lack of a quorum. However the reports the Committee was supposed to discuss were forwarded to the Mayoral Committee.
MFV	13 February 2018	08	02	06	02	75%	The Committee performed well during the quarter and issues were thoroughly

							discussed and scrutinized to enable the Mayoral Committee to make informed decisions especially with respect to financial matters of the institution.
GGP	01 February 2018	09	02	06	02	66.67%	The Committee was fairly attended and consistency at meetings ensures that members engage with issues and make informed recommendations so that it is easy for the Mayoral Committee to take informed decisions. It is worth mentioning that the Committee has never experienced an absence of a quorum.
	01 March 2018	09	02	07	01	77.78%	
LED	01 February 2018	09	02	05	01	55.6%	On 01 February 2018 attendance was not good for the Committee. Non-attendance has a negative effect on the effectiveness of
	01 March 2018	09	02	08	02	88.9%	

							Council as Committees are supposed to discuss reports and make recommendations for Council to make informed decisions.
SDI	17 January 2018	09	01	03	01	33.3%	The Committee did not perform well during this quarter. The meeting that was scheduled for 17 January 2018 did not have a quorum. Attendance was not good as expected, however the Committee discussed and scrutinized the reports
	07 March 2018	09	01	05	01	55.56%	
MPAC	17 January 2018	08	01	02	01	25%	The meeting of January 2018 did not sit due to a lack of a quorum, only two Councillors attended. A following meeting was well attended and the Committee discussed the reports for Council to take informed decisions.
	08 March 2018	08	01	07	01	87.5%	

Women’s Caucus Steering Committee	01 February 2018	Did not sit as Chairperson not elected yet					
Audit Committee	12 February 2018	All members of the Committee attended the meeting.					This was the second meeting of the newly appointed Audit Committee. The Committee scrutinised all the reports and had since presented a report for the third quarter of 2017/2018 to Council in March 2018.
Whips Committee	24 January 2018	10	01	07	01	70%	The meetings were well attended. This is a platform for all political parties to engage with the Agenda items and raise matters of concern regarding service delivery and other institutional matters.
	22 February 2018	10	01	06	01	60%	
	22 March 2018	10	01	06	01	60%	
Joint ARC/PAC/MP AC	None scheduled for the quarter						
Ethics Committee	02 March 2018	07	01	05	00	71.4%	Even though the Committee did not sit in the previous quarter

							<p>due to a lack of a quorum, the second one was well attended and members discussed all the reports as it is tasked with a duty to investigate and make recommendations to Council on those who transgress and or breach the Code of Conduct for Councillors.</p>
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OTHER PARTIES CONSULTED

Office of the Speaker.

STAFF IMPLICATIONS

There are no staff implications.

FINANCIAL IMPLICATIONS

Financial implications relate to penalties that are effected as per Council Standing Rules to Councillors who fail to attend meetings and or arrive late in meetings. An amount of R1000 is deducted from Councillors for absenteeism and R500 for late coming. During the period under review, an amount of R27 500 has been deducted from nineteen (19) Councillors.

ATTACHMENTS

Annexures “A – J” - are copies of attendance registers for the Council and Committee meetings indicating whether a Councillor, Traditional Leader has been present, absent, tendered an apology or applied for leave of absence as the case may be with the following letters representing the following:

)	P	= Present
)	LOA	= Leave of absence
)	A	= Absent
)	AP	= Apology

RECOMMENDATION

That the report on the assessment of the functioning of Council and its Committees for the period January to March 2018 be noted.

“ANNEXURE A”

ATTENDANCE RECORD FOR COUNCIL MEETINGS

NAME OF THE COUNCILLOR AND TRADITIONAL LEADER	31 January 2018	28 February 2018 (Special meeting)	28 March 2018
1.Cllr Ndikinda N (Speaker)	P	P	P
2.Cllr Nxawe N (Executive Mayor)	P	P	P
3.Cllr Ndwayana S (Chief Whip)	P	P	P
4. Cllr Mfecane N (MPAC Chairperson)	P	P	P
5. Cllr Auld N	P	LOA	P
6. Cllr Badi X	AP	P	P
7. .Cllr Baleni X	P	P	P
8. Cllr Balindlela T	AP	AP	AP
9.Cllr Bomela Z	AP	A	P
10.Cllr Bonga N	P	P	P
11.Cllr Dywili D	AP	P	P
12. Cllr Ganjana B	P	P	P
13.Cllr Genyane C	AP	P	AP
14.Cllr Goniwe B	P	P	P
15.Cllr Hobo A	AP	A	AP
16.Cllr Jacobs L	P	P	P
17.Cllr Jack P	AP	AP	P
18.Cllr Kabane Z	P	P	P

19.Cllr Konza N	P	P	P
20.Cllr Lombard J	P	P	P
21. Cllr Goniwe-Mafanya T	AP	AP	AP
22.Cllr Maneli S	P	P	P
23.Cllr Magwaca K	P	AP	P
24.Cllr Mantshiyose L	AP	AP	P
25.Cllr Matshobeni A	P	P	P
26.Cllr Mevana V	LOA	P	P
27.Cllr Mgidlana N	P	P	P
28.Cllr Mnqokoyi Z	P	AP	P
29.Cllr Msindwana K.D	AP	P	P
30.Cllr Namba M	P	P	P
31.Cllr Ncanywa D	P	P	P
32.Cllr Ngaye T	AP	AP	P
33.Cllr Nqwena N	A	P	P
34.Cllr Nyalambisa N	AP	P	A
35.Cllr Pose N	P	A	AP
36.Cllr Plaatjie N	P	AP	AP
37.Cllr Rulashe N	AP	AP	A
38.Cllr Sitole S	P	P	P
39.Cllr Siyo Z	P	AP	A
40. Cllr Siwisa M	P	A	P

NAME OF THE COUNCILLOR AND TRADITIONAL LEADER	31 January 2018	28 February 2018 (Special meeting)	28 March 2018
41.Cllr Skelenge H.N	P	A	A
42.Cllr Tekile N	P	P	P
43.Cllr Tolobisa D	P	P	P
44.Cllr Tshona R	P	AP	AP
45.Cllr Tyodana X	P	P	AP
46.Cllr Xongwana Z	P	AP	P
47.Cllr Zuka S	P	P	P
48.Inkosi Bulube Siseko	P	P	P
49.Inkosi Kaulela Welcome	P	P	P
50.Inkosi Mditshwa Mzimkhulu	P	P	P
51. Inkosi Ndlazi Ntombomzi	P	P	P
52.Inkosi Mqalo Khayaletu	P	P	P
53. Inkosi Poswa Nondumo	P	P	A
54.Inkosi Tuswa Nathaniel	P	P	P
55.Inkosi Zunguzane G	P	P	P

“ANNEXURE B”

**ATTENDANCE RECORD FOR MUNICIPAL TRANSFORMATION AND
ORGANISATIONAL DEVELOPMENT COMMITTEE (MTI)**

NAME OF THE COUNCILLOR AND TRADITIONAL LEADER	13 February 2018
1. Cllr Mgidlana N (Chairperson)	P
2. Cllr Tolobisa M	P
3. Cllr Maneli S	AP
4. Cllr Plaatjie N	A
5. Cllr Tekile N W	P
6. Cllr Tshona N	AP
7. Cllr Badi C	P
8. Cllr Skelenge N	A
9. Cllr Tyodana X	P
10. Inkosi Mditshwa N	P

“ANNEXURE C”

**ATTENDANCE RECORD FOR LOCAL ECONOMIC DEVELOPMENT
COMMITTEE.**

NAME OF THE COUNCILLOR AND TRADITIONAL LEADER	01 February 2018	01 March 2018
1. Cllr Zuka S (Chairperson)	P	P
2. Cllr Konza N	P	P
3. Cllr Rulashe N	A	A
4. Cllr Auld C	P	P
5. Cllr Matshobeni A	AP	P
6. Cllr Magwaca K	AP	P
7. Cllr Ganjana M	P	P
8. Cllr Ngaye T	P	P
9. Cllr Nqwena N	A	P
10. Inkosi Tuswa M	A	P
11. Inkosi Zunguzane G	P	P

“ANNEXURE D”

**ATTENDANCE RECORD FOR BASIC SERVICE DELIVERY AND
INFRASTRUCTURE INVESTMENT COMMITTEE**

NAME OF THE COUNCILLOR AND TRADITIONAL LEADER	17 January 2018	07 March 2018
1. Cllr Jacobs L (Chairperson)	P	AP
2. Cllr Baleni X	AP	P
3. Cllr Pose	A	P
4. Cllr Mnqokoyi M	A	P
5. Cllr Nyalambisa N	P	A
6. Cllr Jack P	P	A
7. Cllr Bomela Z	A	P
8. Cllr Ganjana B	AP	P
9. Cllr Skelenge N	A	A
10. Inkosi Mditshwa M	P	P

ATTENDANCE RECORD FOR MUNICIPAL FINANCIAL VIABILITY COMMITTEE

NAME OF THE COUNCILLOR AND TRADITIONAL LEADER	13 February 2018
1.Cllr Kabane Z (Chairperson)	P
2.Cllr Plaatjie N	AP
3.Cllr Badi X	P
4.Cllr Tolobisa M	P
5.Cllr Goniwe-Mafanya T	P
6.Cllr Auld C	P
7.Cllr Mevana N	AP
8. Cllr Mantshiyose L	P
9.Inkosi Poswa N	P
10.Inkosi Ndlazi N	P

“ANNEXURE F”

**ATTENDANCE RECORD FOR GOOD GOVERNANCE AND PUBLIC
PARTICIPATION COMMITTEE**

NAME OF THE COUNCILLOR AND TRADITIONAL LEADER	01 February 2018	01 March 2018
1. Cllr Bonga F (Chairperson)	AP	P
2. Cllr Maneli S	P	P
3. Cllr Ncanywa D	P	P
4. Cllr Tekile N W	P	P
5. Cllr Namba M	P	P
6. Cllr Lombard J	P	P
7. Cllr Siyo Z	A	A
8. Cllr Siwisa M	A	AP
9. Cllr Msindwana K	P	A
10. Inkosi Bulube V	P	P
11. Inkosi Mqalo K	P	A

“ANNEXURE G”

ATTENDANCE RECORD FOR WOMEN’S CAUCUS STEERING COMMITTEE

NAME OF THE COUNCILLOR AND TRADITIONAL LEADER	01 February 2018
1. Cllr Xhongwana Z	The meeting did not sit as the Chairperson has not been appointed yet.
2. Cllr Tshona F	
3. Cllr Konza N	
4. Cllr Mafanya-Goniwe T	
5. Cllr Ncanywa D	
6. Cllr Mfecane N	
7. Cllr Nyalambisa N	
8. Inkosi Ndlazi N	
9. Inkosi Poswa N	

“ANNEXURE H”

ATTENDANCE RECORD FOR MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

NAME OF THE COUNCILLOR AND TRADITIONAL LEADER	17 January 2018	08 March 2018
1. Cllr Mfecane N (Chairperson)	P	P
2. Cllr Dywili M	A	P
3. Cllr Balindlela T	A	P
4. Cllr Sitole P	P	A
5. Cllr Genyane C	A	P
6. Cllr B.Goniwe	A	P
7. Cllr Hobo A	A	P
8. Cllr Xongwana Z	A	P
9. Inkosi Kaulela N	P	P

“ANNEXURE I”

ATTENDANCE RECORD FOR AUDIT COMMITTEE

NAME OF MEMBER	12 February 2018
Ms V Ntsodo (Chairperson)	P
Mr Zitumane P	P
Ms Maqwathi T	P
Ms Hlehliso V	P
Ms Duitlwileng O	P

“ANNEXURE J”

ATTENDANCE RECORD FOR WHIPS COMMITTEE

NAME OF THE COUNCILLOR AND TRADITIONAL LEADER	24 January 2018	22 February 2018	22 March 2018
1. Cllr Ndwayana S	P	P	P
2. Cllr Konza N	P	P	P
3. Cllr Nyalambisa N	P	A	A
4. Cllr Mgidlana N	P	P	AP
5. Cllr Zuka S	AP	A	P
6. Cllr Maneli S	P	A	AP
7. Cllr Matshobeni A	AP	P	P
8. Cllr Auld C	P	AP	AP
9. Cllr Sitole S	AP	P	P
10. Cllr Goniwe P	P	P	P
11. Inkosi Zunguzane G	P	P	P

9.1.2 FINAL DRAFT SCHEDULE OF MEETINGS FOR THE AMATHOLE DISTRICT MUNICIPALITY FOR THE 2018/2019 FINANCIAL YEAR

[File No. 2/R]
[Author: Director: L&ESS/LS/pm]
[MC : 23 May 2018]
[Council]

PURPOSE

To present to Council a final draft schedule of meetings for 2018/2019 financial year for adoption.

AUTHORITY

- The Local Government Municipal Structures Act 117 of 1998 as amended.
- The Standing Rules of Council 2015.

LEGAL/STATUTORY REQUIREMENTS

In terms of Section 29(1) of the Municipal Structures Act, 117 of 1998, the Speaker of a Municipal Council decides when and where the Council meets but, if a majority of Councillors requests the Speaker in writing to convene a Council meeting, the Speaker must convene a meeting at a time set out in the request. A Municipal Council must, in terms of Section 18(2), meet at least quarterly.

In terms of Section 12(1) of the ADM Standing Rules, the Speaker must, at the meeting of the Council submit a proposed programme for sittings of the Council and its Committees for the next financial year to the Council for consideration.

BACKGROUND / REASONING

For the effective and efficient running of the institution the Amathole District Municipality, every financial year starting July – June an institutional calendar is developed. The final calendar is approved by Council in May before the start of the financial year. The first draft of the 2018/2019 calendar was submitted to Council on 28 March 2018 for noting. After consideration by Management, a resolution was taken that only statutory meetings should be included in the calendar to avoid a bloated calendar. Below are the proposals.

PROPOSALS TO THE 2018/2019 ADM SCHEDULE OF MEETINGS

Below is the explanation of abbreviations:-

ABBREVIATIONS/ ACRONYMS

ADM	-	Amathole District Municipality
MC	-	Mayoral Committee
SDI	-	Basic Service Delivery and Investment Infrastructure Committee
LED	-	Local Economic Development Standing Committee
MTI	-	Municipal Transformation and Organisational Development Standing

Committee		
GGP	-	Good Governance and Public Participation Standing Committee
MFV	-	Municipal Financial Viability Standing Committee
MPAC	-	Municipal Public Accounts Committee
BSC	-	Budget Steering Committee
EMC	-	Executive Management Committee
DIMAFO		District Mayors Forum
AC	-	Audit Committee

SCHEDULE OF MEETINGS: AMATHOLE DISTRICT MUNICIPALITY

The Speaker has therefore set the following schedule as dates of Meetings of the Amathole District Municipality (ADM) for the 2018/2019 Financial Year as shown in tables 1-4.

5.

The Executive Mayor has therefore set the following schedule as dates of meetings for the Mayoral Committee [MC] for the 2018/2019 financial year as shown in tables 5-6.

6. **Table 1**

AMATHOLE DISTRICT MUNICIPALITY SCHEDULE OF MEETINGS FOR COUNCIL JULY 2018 – JUNE 2019		
DATE	PROVISIONAL VENUE	PROVISIONAL TIME
Friday 20 July 2018	To be determined	11h00
Friday 24 August 2018	To be determined	10H00
Friday 26 October 2018	To be determined	10H00
Friday 7 December 2018	To be determined	11H00
Friday 14 December 2018	To be determined	10H00
Friday 25 January 2019	To be determined	10H00
Friday 28 February 2019	To be determined	11H00
Friday 29 March 2019	To be determined	10H00
Friday 26 April 2019	To be determined	11h00
Friday 24 May 2019	To be determined	10H00

Table 2

AMATHOLE DISTRICT MUNICIPALITY SCHEDULE OF MEETING : STATE OF THE DISTRICT ADDRESS			
DATE		PROVISIONAL VENUE	PROVISIONAL TIME
Thursday 30 May 2019	State of the District Address	To be determined	10H00

7.

8. **Table 3**

AMATHOLE DISTRICT MUNICIPALITY SCHEDULE OF MEETINGS FOR THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE JULY 2018 – JUNE 2019		
DATE	PROVISIONAL VENUE	PROVISIONAL TIME
Friday 27 July 2018	To be determined	10H00
Thursday 30 August 2018	To be determined	10H00
Thursday 4 October 2018	To be determined	10H00
Tuesday 27 November 2018	To be determined	10H00
Tuesday 11 December 2018	To be determined	10H00
Thursday 6 February 2019	To be determined	10H00
Wednesday 6 March 2019	To be determined	10H00
Tuesday 7 May 2018	To be determined	10H00

9. **Table 4**

AMATHOLE DISTRICT MUNICIPALITY SCHEDULE OF MEETINGS FOR THE WOMEN'S CAUCUS STEERING JULY 2018 – JUNE 2019		
DATE	PROVISIONAL VENUE	PROVISIONAL TIME
Wednesday 15 August 2018	To be determined	14H00
Wednesday 10 October 2018	To be determined	10H00
Wednesday 15 May 2019	To be determined	10H00

SCHEDULE OF MEETINGS: AUDIT COMMITTEE

The following schedule of Meetings of Audit Committee have been set:

Table 5

AUDIT COMMITTEE SCHEDULE OF MEETINGS JULY 2018 – JUNE 2019		
DATE	PROVISIONAL VENUE	PROVISIONAL TIME
Thursday, 2 August 2018	To be determined	08H00-10H00
Friday, 17 November 2018	To be determined	08H00-10H00
Wednesday, 29 August 2018	To be determined	08H00-10H00
Friday, 30 November 2018	To be determined	08H00-10H00
Tuesday, 12 March 2019	To be determined	08H00-10H00
Monday, 13 May 2019	To be determined	08H00-10H00

SCHEDULE OF MEETINGS: STANDING COMMITTEES AND MAYORAL COMMITTEE

The Executive Mayor has therefore, set the following schedule as dates of Meetings of Standing Committees [SC's] and Mayoral Committee [MC]:

Table 6

SCHEDULE OF MEETINGS JULY 2017 – JUNE 2018			
COMMITTEE	DATE	PROVISIONAL VENUE	PROVISIONAL TIME
MTI Standing Committee	Tuesday 19 July 2018	To be determined	10H00
MFV Standing Committee	Tuesday 19 July 2018	To be determined	13H00
GGP Standing Committee	Tuesday 24 July 2018	To be determined	10H00
LED Standing Committee	Tuesday 24 July 2018	To be determined	13H00
SDI Standing Committee	Wednesday 25 July 2018	To be determined	11H00
<i>Mayoral Committee</i>	<i>Wednesday 1 August 2018</i>	To be determined	<i>10H00</i>
Council	Friday 24 August 2018	To be determined	10H00
MTI Standing Committee	Tuesday 4 September 2018	To be determined	10H00
MFV Standing Committee	Tuesday 4 September 2018	To be determined	13H00
<i>Mayoral Committee</i>	<i>Wednesday 13 September 2018</i>	To be determined	<i>10H00</i>
GGP Standing Committee	Tuesday	To be determined	10H00

	18 September 2018		
LED Standing Committee	Tuesday 18 September 2018	To be determined	13H00
SDI Standing Committee	Wednesday 19 September 2018	To be determined	11H00
<i>Mayoral Committee</i>	<i>Wednesday 26 September 2018</i>	To be determined	<i>10H00</i>
Council	Friday 26 October 2018	To be determined	10H00

MTI Standing Committee	Tuesday 30 October 2018	To be determined	10H00
MFV Standing Committee	Tuesday 30 October 2018	To be determined	13H00
<i>Mayoral Committee</i>	<i>Wednesday 7 November 2018</i>	To be determined	<i>10H00</i>
Council	Friday 14 December 2018	To be determined	10H00
Council	Friday 25 January 2019	To be determined	10H00
GGP Standing Committee	Tuesday 29 January 2019	To be determined	10H00
LED Standing Committee	Tuesday 29 January 2019	To be determined	13H00
SDI Standing Committee	Wednesday 30 January 2019	To be determined	11H00
MTI Standing Committee	Tuesday 12 February 2019	To be determined	10H00
MFV Standing Committee	Tuesday 12 February 2019	To be determined	13H00
<i>Mayoral Committee</i>	<i>Wednesday 20 February 2019</i>	To be determined	<i>10H00</i>
Council	Friday 29 March 2019	To be determined	10H00
GGP Standing Committee	Tuesday 2 April 2019	To be determined	10H00
LED Standing Committee	Tuesday 2 April 2019	To be determined	13H00
SDI Standing Committee	Wednesday 3 April 2019	To be determined	11H00
<i>Mayoral Committee</i>	<i>Wednesday 10 April 2019</i>	To be determined	<i>10H00</i>
MTI Standing Committee	Tuesday 16 April 2019	To be determined	10H00
MFV Standing Committee	Tuesday 16 April 2019	To be determined	13H00
<i>Mayoral Committee</i>	<i>Wednesday</i>	To be determined	<i>10H00</i>

	<i>24 April 2019</i>		
Council	Friday 24 May 2019	To be determined	10H00
GGP Standing Committee	Tuesday 4 June 2019	To be determined	10H00
LED Standing Committee	Tuesday 4 June 2019	To be determined	13H00
SDI Standing Committee	Wednesday 5 June 2019	To be determined	11H00
<i>Mayoral Committee</i>	<i>Wednesday 12 June 2019</i>	To be determined	<i>10H00</i>

The venue, date and time will be indicated on the agendas to be circulated in advance before each meeting.

STAFF IMPLICATIONS

There are no staff implications.

FINANCIAL IMPLICATIONS

Preparation costs for meetings have been budgeted for in the Director: Legislative & Executive Support Services Operational budget.

OTHER PARTIES CONSULTED

Heads of Departments

ATTACHMENTS

Annexure “A” is a schedule of meetings for the 2018/2019 Financial Calendar Year.
Annexure “B” is an illustration indicating the flow of meetings.

RECOMMENDATIONS

- [a] That Council adopts the final Draft Schedule of the Amathole District Municipality Meetings, reflected under tables 1-4 as set by the Speaker.
- [b] That Council notes the Draft Schedule of Standing Committees and Executive Mayoral Committee Meetings, reflected under tables 5-6 as set by the Executive Mayor.

ABBREVIATION / ACRONYMS

ADM	Amathole District Municipality
MC	Mayoral Committee
SDI	Basic Service Delivery and Investment Infrastructure Committee
LED	Local Economic Development Committee
MTI	Municipal Transformation and Organisational Development Standing Committee
GGP	Good Governance and Public Participation Standing Committee
MFV	Municipal Financial Viability Standing Committee
MPAC	Municipal Public Accounts Committee
BSC	Budget Steering Committee
DIMAFO	District Mayors Forum
AC	Audit Committee
EMC	Executive Management Committee
LLF	Local Labour Forum

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
JULY 2018						
1	2 Constituency Day Recess	3 Executive Man Comm 09h00 Recess	4 Bid Adjudication Comm 08h00 Recess	5 Recess	6 Recess	7
8	9 Constituency Day Recess	10 Draft ADM Agenda 08h00 Recess	11 Recess	12 Recess	13 Recess	14
15	16 Constituency Day	17 TROIKA 8:30 Executive Man Comm 09h00 Whips Committee -12h00	18 MANDELA DAY	19 MTI Standing Committee 10:00 MFV Standing Committee 13:00 Informal Performance Reviews	20 Special Council 11h00	21
22	23 Constituency Day Formal Reviews	24 GGP Standing Committee – 10h00 LED Standing Committee – 13h00	25 SDI Standing Committee – 11h00 District Speakers Forum 11h00	26 District Whips Forum – 10h00 Bid Adjudication Comm 14h00 Budget Steering Committee 10:00	27 MPAC – 10h00	28
29	30 Constituency Day	31 Executive Man Comm 09h00 Caucus Mayoral Committee 10:00				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
AUGUST 2018						
			1 Mayoral Committee 10h00	2 LLF – 09h00 Audit Committee 09h00	3 TROIKA 8: 30	4
5	6 Constituency Day Bid Adjudication Comm 08h00	7 IDP Steering Comm 9h00	8 District AIDS Council 10h00 Annual Informal Reviews	9 <i>National Women's Day Observed</i>	10 Draft ADM Agenda 08h00 District Health Council 09h00	11
12	13 Constituency Day	14 Executive Man Comm 09h00	15 Women's Caucus Steering Comm 10h00 Annual Formal Reviews	16 Bid Adjudication Comm 08h00	17 Joint AC/MPAC 09h00	18
19	20 Constituency Day	21 Whips Committee 11:00 MM's Forum – 09h00	22	23 Risk Steering Comm – 11h30 PARTY Caucus Meeting 10h00	24 Council Meeting- 10h00	25
26	27 Constituency Day	28 Executive Man Comm 09h00	29 Special Audit Committee 09h00	30 MPAC - 10h00	31 TROIKA8:30	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
SEPTEMBER 2018						
						1
2	3 Constituency Day	4 MTI Standing Committee 10:00 MFV Standing Comm 13h00	5 DIMAFO 09h000-13h00 Bid Adjudication Comm 14h00	6 IDP Steering Comm 9h00	7 MPAC Roadshows on Annual Report	8
9	10 Constituency Day	11 MPAC Roadshows on Annual Report	12 Caucus Mayoral Committee 10:00 Executive Man Comm. 09h00	13 Mayoral Comm 10h00	14 MPAC Roadshows on Annual Report	15
16	17 Constituency Day	18 GGP Standing Committee 10:00 LED Standing Committee 12:00	19 SDI Standing Comm 11h00	20 Performance Evaluation Panel 08h30	21 TROIKA8:30 Performance Evaluation Panel 08h30	22
23	24 HERITAGE DAY OBSERVED	25 Extended EMC 09h00 Caucus Mayoral Committee 10h00	26 Bid Adjudication Comm 08h00 Mayoral Committee 10h00	27 IDP Rep Forum 09h00	28	29
30						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
OCTOBER 2018						
	1 Constituency Day	2	3	4 MPAC – 10h00 Bid Adjudication Comm 14h00	5 TROIKA 8h30 <hr/>	6
7	8 Constituency Day	9 Executive Man Comm 09h00	10 Women’s caucus steering committee 10h00 Special BSC : 10h00	11 District AIDS Council 09h00	12 Draft ADM Agenda 08h00 <hr/> Special MC – 10h00	13
14	15 Constituency Day	16 Local Labour Forum 09h00	17 Informal HOD/Performance Reviews 08h00	18 District Health Council 09h00	19 Risk Steering Comm – 09h00	20
21	22 Constituency Day	23 Whips Committee 11:00 Executive Man Comm 09h00	24 Budget Steering Comm - 10:00 Formal HOD/Performance Reviews 08h00	25 Bid Adjudication Comm 08h00 PARTY Caucus Meeting 10h00	26 ADM Council Meeting 10h00 <hr/>	27
28	29 Constituency Day	30 MTI Standing Committee 10:00 MFV Standing Committee 13:00	31 IDP Steering Committee- 10h00 <hr/>			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
NOVEMBER 2018						
				1	2 TROIKA MMs Forum 09h00	3
4	5 Constituency Day	6 Caucus Mayoral Committee 10:00	7 Mayoral Comm 10h00	8 DIMAFO 09h00-13h00 District Whips Forum 10h00	9	10
11	12 Bid Adjudication Comm 14h00 Constituency Day	13	14 District AIDS Council 09h00	15	16 Budget Steering Committee 10h00	17
18	19 Constituency Day	20 Executive Man Comm 09h00	21 IDP/PMS/Budget Rep Forum 09H00	22 Bid Adjudication Comm 14h00	23 Draft ADM Agenda 08h00 Departmental Strategic Sessions	24
25	26 Constituency Day Departmental Strategic Sessions	27 Departmental Strategic Sessions	28 District Speakers Forum 11h00 Departmental Strategic Sessions	29 District Health Council 09h00 Departmental Strategic Sessions	30 Troika 8h30 Audit Comm -09h00 Departmental Strategic Sessions	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
DECEMBER 2018						
						1
2	3 Constituency Day	4 Executive Man Comm. 09h00	5	6 Bid Adjudication Comm 08h00	7 Special ADM Council Meeting 11h00	8
9	10 Technical Strategic Session	11 Whips Committee 11:00 MPAC Committee 10h00 Technical Strategic Session	12 Technical Strategic Session	13 Party Caucus Meeting 10h00	14 ADM Council Meeting 10h00	15
16	17 Day of Reconciliation	18 RECESS FOR CLLRS	19 RECESS FOR CLLRS	20 RECESS FOR CLLRS	21 RECESS FOR CLLRS	22
23	24	25 CHRISTMAS DAY	26 DAY OF GOODWILL	27	28	29
30	31					

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
JANUARY 2019						
		1 New Year's Day RECESS FOR CLLRS	2 RECESS FOR CLLRS	3 RECESS FOR CLLRS	4 TROIKA 8h30	5
6	7 Constituency Day	8	9 Bid Adjudication Comm 08h00	10	11 Draft ADM Agenda 08h00	12
13	14 Constituency Day Special EMC – 10h00	15 Informal Reviews 08h00 Special BSC : 10h00	16 Bid Adjudication Comm 14h00 Special MC –10h00 Institutional Strategic Session	17 District Whips Forum-11H00 Institutional Strategic Session	18 TROIKA 8 :30 Institutional Strategic Session	19
20	21 Constituency Day Formal HOD Reviews 08h00	22 Whips Comm 11:00 Executive Man Comm 09h00	23 Budget Steering Committee Meeting 13h00 District Speakers Forum 11h00	24 Party Caucus Meeting 10h00	25 ADM Council Meeting 10h00	26
27	28 Constituency Day Bid Adjudication Comm 14h00	29 GGP Standing Comm – 10h00 LED Standing Committee 13:00	30 SDI Standing Committee 10:00	31 IDP Steering Committee 09h00		

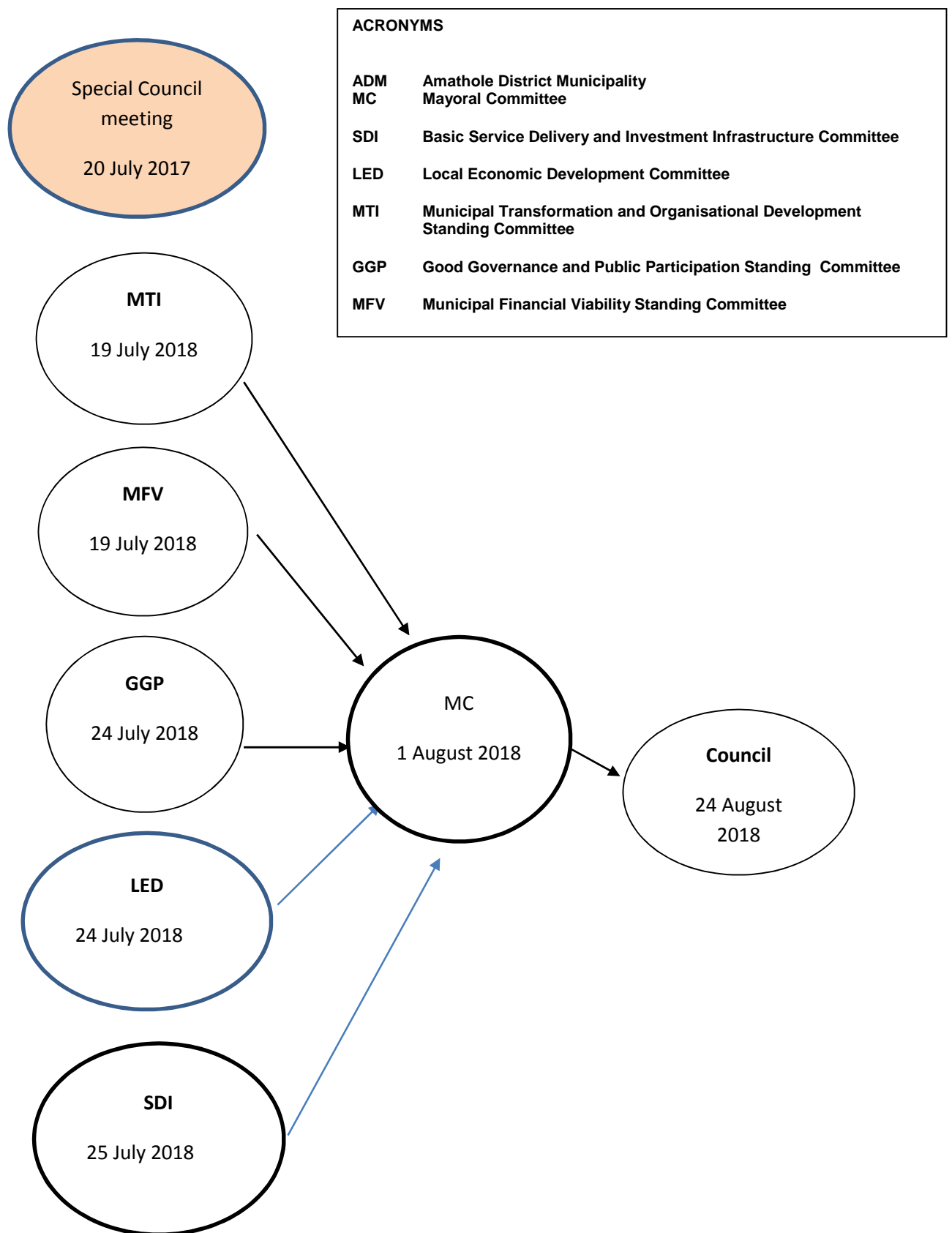
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
FEBRUARY 2019						
					1 District Health Council 09h00 <hr/> TROIKA 8H30	2
3	4 Constituency Day Bid Adjudication Comm 14h00	5 Executive Man Comm 09h00	6 MPAC – 10H00 <hr/>	7 District Aids Council 10h00	8 Draft ADM Agenda 08h00 <hr/>	9
10	11 IGR Forum 10h00 <hr/>	12 MTI Standing Committee 10:00 MFV Standing Comm – 13h00	13	14	15	16
17	18 Constituency Day Bid Adjudication Comm 14h00	19 Caucus Mayoral Committee 10:00 Extended Executive Man Comm 09h00	20 Mayoral Committee <hr/> 10h00	21 Budget Steering Committee 09h00	22 IGR Forum 10h00 <hr/>	23
24	25 Constituency Day MMs Forum 09h00	26 Whips Committee – 11h00	27 IDP Steering Committee 09h00	28 Special Council Meeting 11h00		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
MARCH 2019						
					1 <hr/>	2
3	4 Constituency Day Bid Adjudication Comm 14h00	5 Executive Man Comm 09h00	6 MPAC Committee 10h00	7 DIMAFO 09H00	8 Draft ADM Agenda 08h00	9
10	11 <u>Constituency Day</u>	12 Audit Comm -09h00	13 IDP/PMS/Budget Rep Forum 9h00	14 Local Labour Forum 09h00	15 <hr/> TROIKA 8:30	16
17	18 Constituency Day Bid Adjudication Comm 14h00	19 Executive Man Comm 09h00	20 Special MC: 10h00	21 HUMAN RIGHTS DAY	22 Special BSC: 10h00	23
24	25	26 Whips Committee 11:00	27	28 Party Caucus Meeting 10h00	29 ADM Council Meeting 10h00	30
31						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
APRIL 2019						
	1 Constituency Day Executive Man Comm 09h00	2 GGP Standing Comm 10:00 LED Standing Committee 13:00	3 SDI Standing Comm – 10:00 Bid Adjudication Comm 14h00	4 IDP Roadshows	5 IDP Roadshows TROIKA 8:30	6
7	8 Constituency Day	9 Caucus Mayoral Committee 10:00	10 Mayoral Comm. 10h00 Bid Evaluation Committee 13h30	11 IDP Roadshows District Health Council 10h00	12 IDP Roadshows Risk Steering Comm – 09h00	13
14	15 Constituency Day Executive Man Comm 09h00	16 MTI Standing Committee 10:00 MFV Standing Committee 13:00	17 Informal Reviews 08h00 Draft ADM Agenda 10h00 Bid Adjudication Comm 14h00 Special BSC : 10h00	18	19 GOOD FRIDAY	20
21	22 FAMILY DAY	23 Whips Committee 10h00	24 Caucus Mayoral Committee 09h00 Mayoral Comm. 10h00 11h00	25 TROIKA 8:30 Formal HOD/Performance Reviews 08h00	26 Special Council 11h00	27 Freedom Day
28	29	30 Executive Man Comm 09h00				

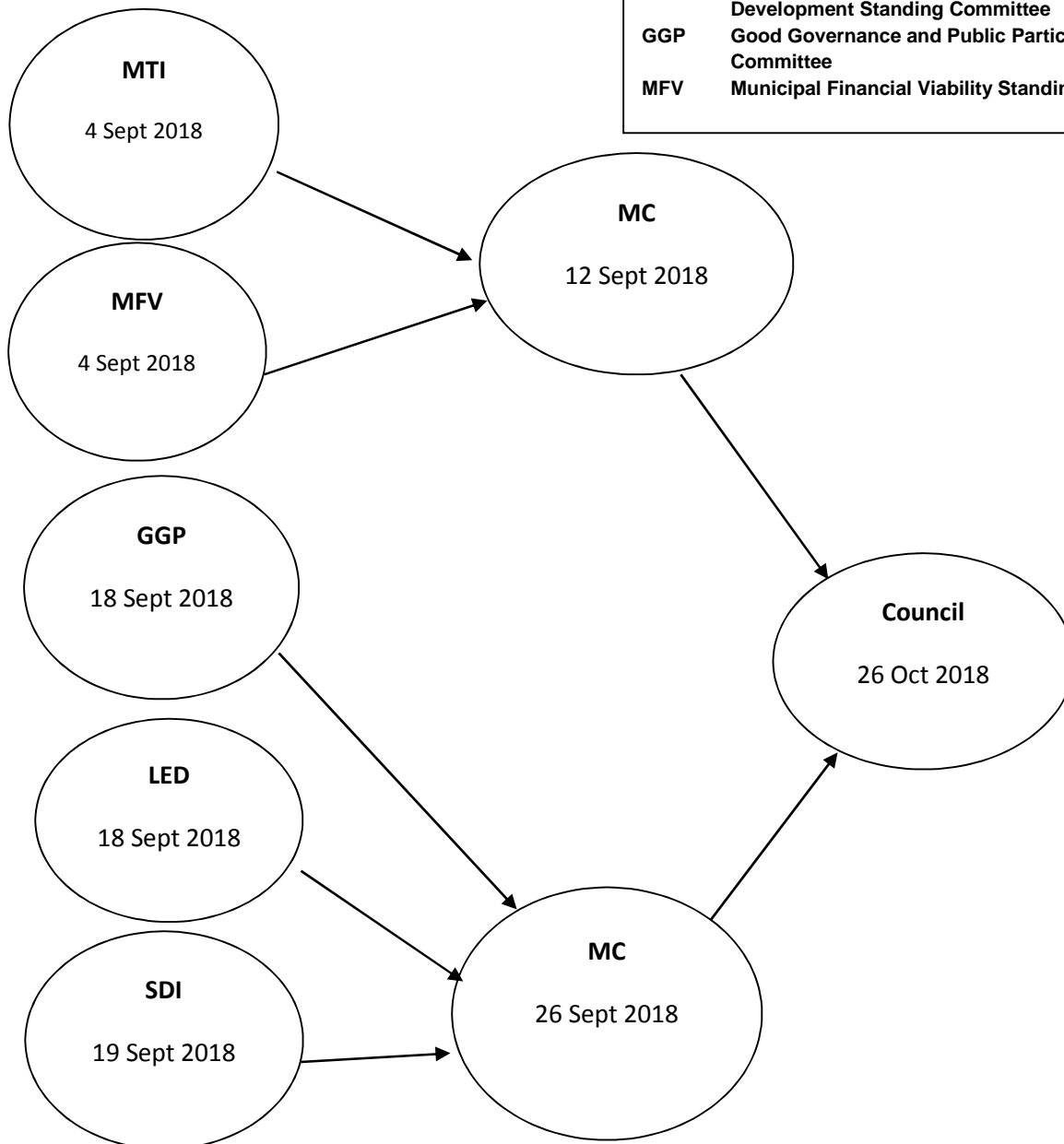
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
MAY 2019						
			1 WORKERS' DAY	2 District Whips Forum- 11H00	3	4
5	6 Constituency Day	7 MPAC Comm. 10h00 Bid Adjudication Comm 14h00	8 IDP Steer Comm 09h00	9 District Health Council 09h00 District Speakers Forum 11h00	10 Draft ADM Agenda 08h00 -	11
12	13 Constituency Day Audit Comm -09h00	14 Executive Man Comm 09h00	15 Womens Caucus Steering Comm 10h00 Bid Adjudication Comm 14h00	16 IDP Rep Forum 09h00 Special BSC: 14h00	17 TROIKA 08H30 Special MC : 10h00	18
19	20 Constituency Day Risk Steering Comm – 09h00	21 Whips Committee 11:00	22	23 Party Caucus Meeting 10h00	24 ADM Council Meeting 10h00	25
26	27 Constituency Day MMs Forum 09h00	28 Executive Man Comm 09h00	29 Budget Steering Comm – 10: 00	30 District AIDS Council 09h00	31 IGR Forum 10h00	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
JUNE 2019						
						1
2	3 Constituency Day	4 GGP Standing Comm 10h00 LED Standing Comm 13h00	5 SDI Standing Committee 10:00	6 Bid Adjudication Comm 14h00	7 DIMAFO 09h00-13h00	8
9	10 Constituency Day	11 Caucus Mayoral Committee 10:00 Executive Man Comm. 09h00	12 Mayoral Comm. 10h00	13 Budget Steering Committee Meeting 09h00	14 TROIKA 08H30 State of the District Address – 10h00	15
16 Youth Day	17 Risk Steering Comm – 11h00 Constituency Day	18 MTI Standing Committee 10:00 MFV Standing Committee 13:00	19 District AIDS Health Council 09h00	20 Local Labour Forum 13h00	21 TROIKA 08H30 RECESS FOR CLLRS	22
23	24 Constituency Day	25 Caucus Mayoral Committee 10:00 Executive Man Comm 09h00	26 Mayoral Comm. 10h00 RECESS FOR CLLRS	27 RECESS FOR CLLRS	28 TROIKA 08H30	29
30						



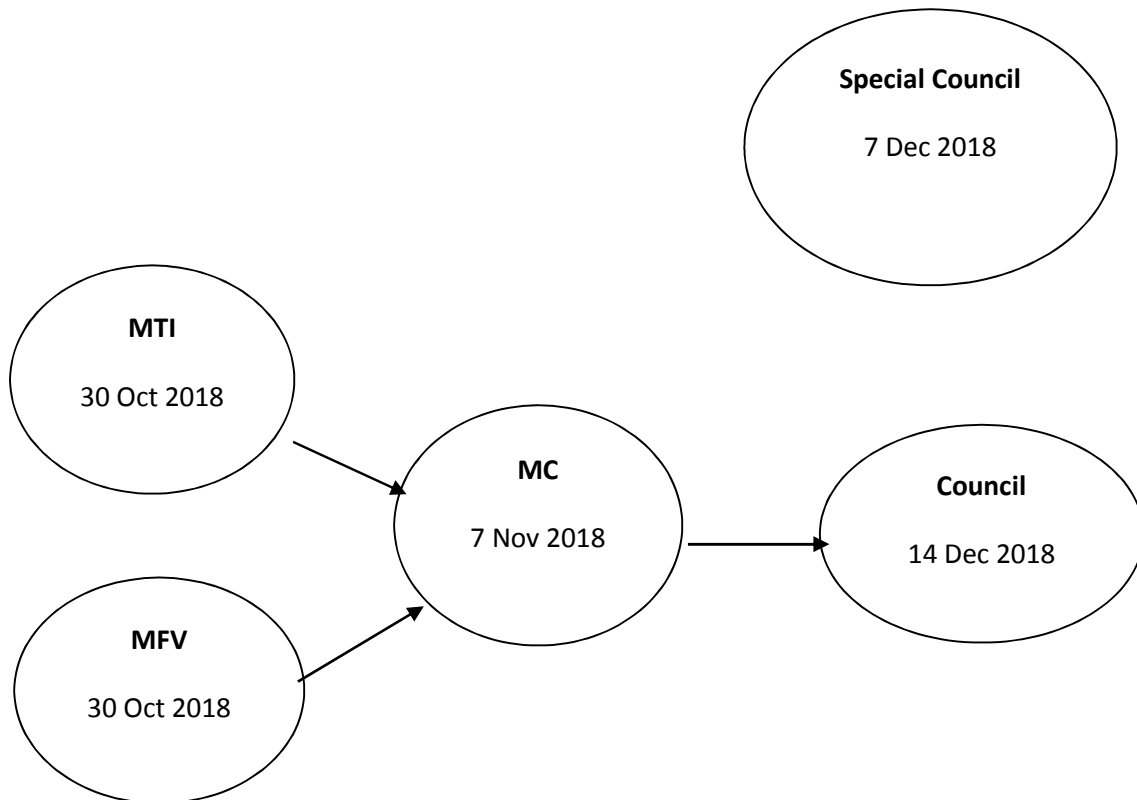
ACRONYMS

ADM	Amathole District Municipality
MC	Mayoral Committee
SDI	Basic Service Delivery and Investment Infrastructure Committee
LED	Local Economic Development Committee
MTI	Municipal Transformation and Organisational Development Standing Committee
GGP	Good Governance and Public Participation Standing Committee
MFV	Municipal Financial Viability Standing Committee



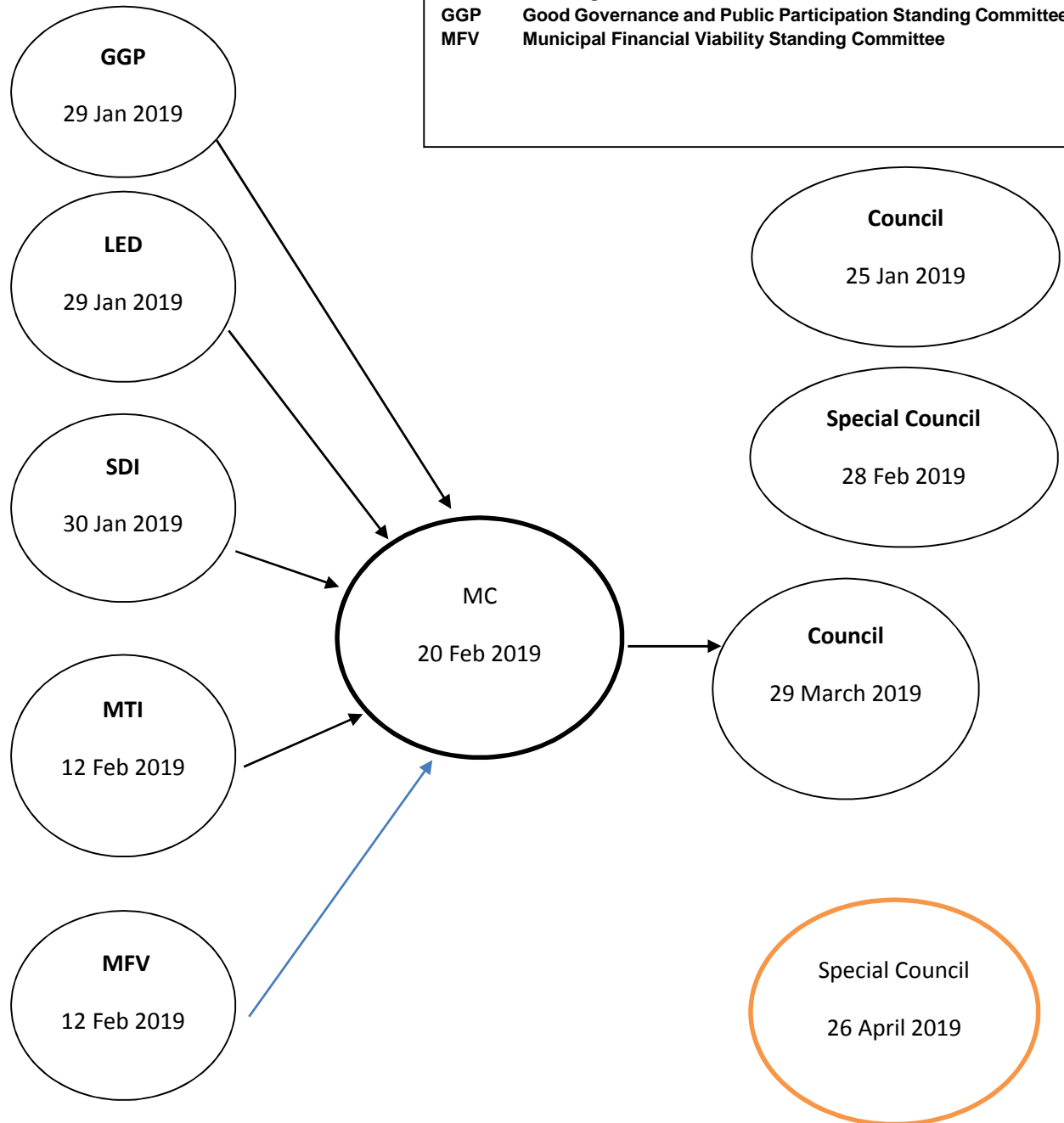
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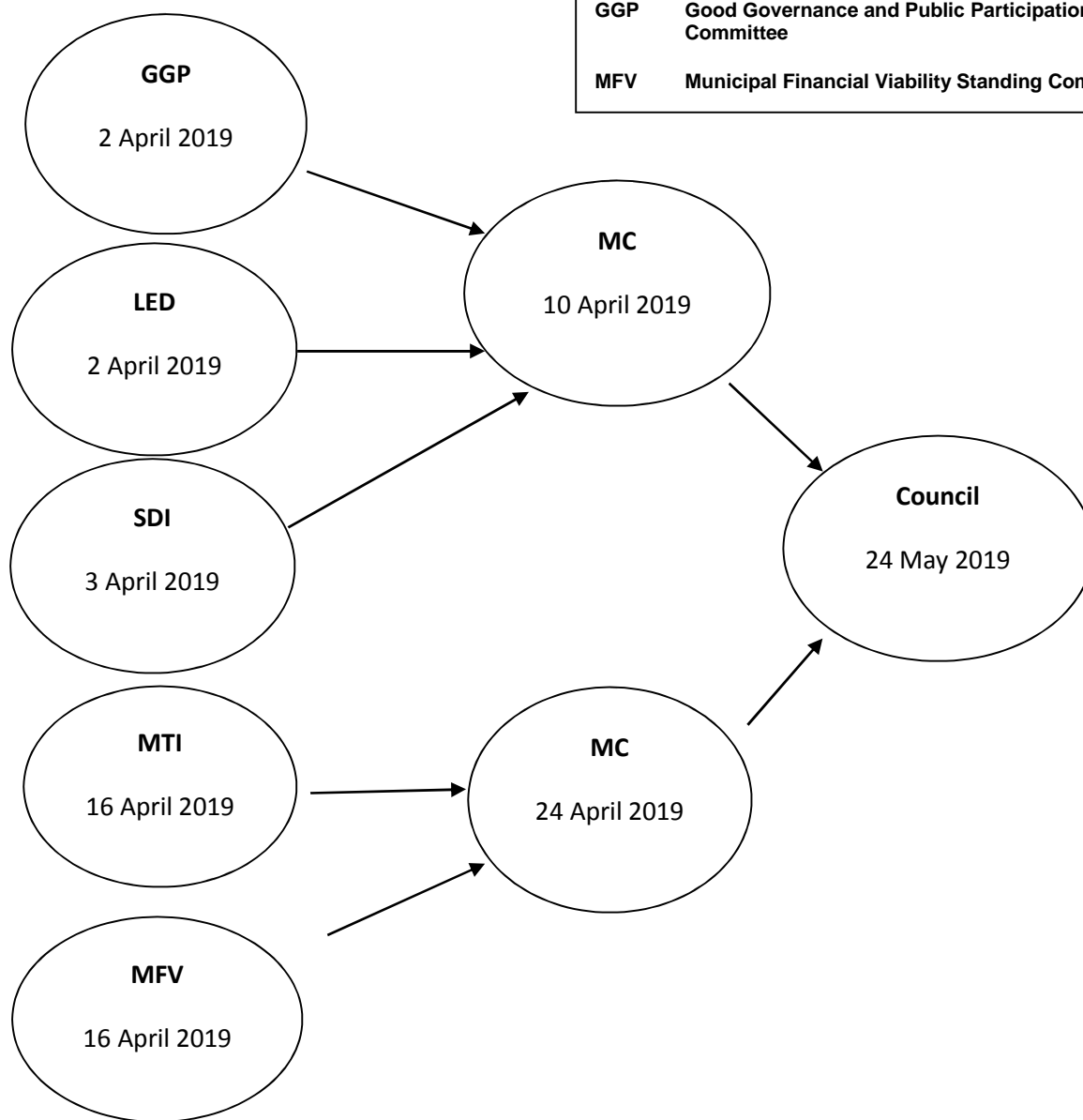
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ACRONYMS

ADM Amathole District Municipality

MC **Mayoral Committee**

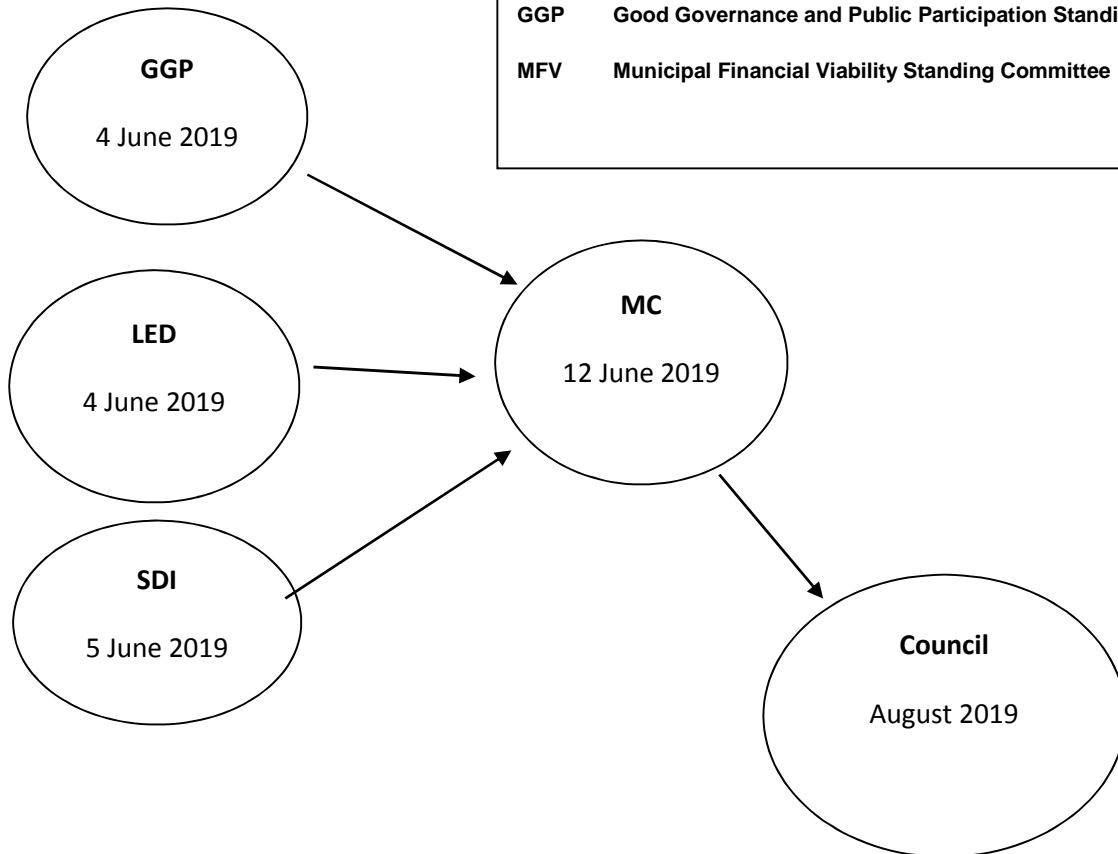
SDI **Basic Service Delivery and Investment Infrastructure Committee**

LED**	Local Economic Development Committee**

MTI**	Municipal Transformation and Organisational Development Standing Committee**

GGP**	Good Governance and Public Participation Standing Committee**

MFV**	Municipal Financial Viability Standing Committee**



9.1.3 QUARTERLY REPORT ON THE CIVIC EDUCATION SESSIONS HELD IN MBHASHE, MNQUMA AND NGQUSHWA LOCAL MUNICIPALITIES ON 19-23 MARCH 2018

[File No: 3/2/2/2]

[Author: Director: L&ESS/LS/bzm]

[Council: 31 May 2018]

PURPOSE

For the Council to note the 3rd Quarter report on the Civic Education Programs held in Mbhashe, Mnquma and Ngqushwa Local Municipalities's from the 19-23 March 2018.

AUTHORITY

- The Constitution of the Republic of South Africa, 1996 as amended
- The Local Government Municipal Systems Act Act 32 of 2000 as amended
- The White Paper on Local Government, 1998

LEGAL/STATUTORY REQUIREMENTS

According to Section 118(b) of the Constitution of the Republic of South Africa, 1996, the Provincial Legislature must conduct its business in an open manner and hold its sittings, and those of its committees in public,

Section 152 (1b) provides that objective of Local Government is to provide democratic and accountable government for local communities. In terms of this objective, communities have a right to participate in and influence the decisions of the municipalities in various ways to ensure that such decisions respond to the needs of the communities.

According to Section 17 of the Municipal Systems Act (Act 32 of 2000 as amended), a municipality must establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality and must for this purpose provide for

- (d) Consultative sessions with locally recognised community organisations and where appropriate, traditional authorities

- (e) Report back to the local community

The White paper on Local Government states that "For many local citizens, their main contact with local government is through the consumption of municipal services and thus municipalities need to begin to build relationships with citizens and communities."

BACKGROUND / REASONING

Amathole District Municipality developed a Civic Education Program aimed at empowering communities and community organizations with information on how local government works. The Program is rolled out to communities quarterly as per the approved Service Delivery and Budget Implementation Plan.

During the quarter under review, the ADM partnered with the Eastern Cape Legislature and rolled out a Civic Education Program in three (3) Local Municipalities, namely Mbhashe, Mquma and Ngqushwa LM.

ADM objective was to encourage community participation in government programmes as well as garner support by sensitizing communities about importance of providing the programmes and the impact the programmes have on service delivery.

For the Eastern Cape Legislature the sessions were consultative meetings meant to obtain views of the communities on the proposed amendments to legislation on Road Traffic Regulations. The amendments include the substitution of certain definitions, simplifying the manner of serving documentation to infringers of the traffic laws, apportionment of penalties and introduction of the demerit system.

Due to budget cuts and financial constraints experienced by government as a whole the two institutions decided to combine resources and drive the programmes in collaboration with the respective LM's. ADM played a facilitating role working with LM's to mobilise communities and arrange suitable venues for the public hearings. Eastern Cape Legislature provided the catering for the communities.

The delegation included ADM Speaker Cllr N. Ndikinda, Ngqushwa Speaker Cllr. Magingxa, Acting Mquma Mayor, Cllr Manxila, Honourable MPL Mr M. Ndamase, The Honourable MPL Ms F Bayeni, Road Traffic Agency Officials, ADM Officials, Eastern Cape Legislature Officials and Officials from the respective LM's.

PRESENTATIONS

Presentations were made on the following issues

- 1) **Understanding how local government works:** The presentation made by ADM talked on the structuring of local government, the powers and functions of local municipalities and the district, the role and responsibility of political office bearers et.c
- 2) **Public participation:** The presentation covered the legislative framework on the participation of communities in municipal governance, the structures established to enhance community participation, the management of petitions and mechanisms to ensure community participation
- 3) **Voter Registration:** The presentation was meant to make communities aware of the importance of registration for elections, the age of voting, and ensuring correct addresses are reflected in the voters roll. It was further mentioned that IEC would declare voter registration days, and citizens must also visit their local IEC offices to check if their names appear in the voters roll.
- 4) **Indigent registration;** The presentation on Indigent registration was made to encourage citizen to register in the municipal database as indigents. Registration as indigent needs to be updated annually or as soon as the status of the person changes.
- 5) **Administrative Adjudication of Road Traffic Offences Amendment Bill, 2015:** The presentation by the Eastern Cape Legislature was intended to solicit inputs into the draft regulations on the Adjudication of Road Traffic Offences Act. Communities had an

opportunity to ask questions on the regulations and their coming into effect. The summary of the presentation is attached.

FINANCIAL IMPLICATIONS

Catering costs borne by Eastern Cape Legislature.

OTHER PARTIES CONSULTED

Eastern Cape Provincial Legislature
Mbhashe Local Municipality
Mnquma Local municipality
Ngqushwa Local Municipality

STAFF IMPLICATIONS

There are no staff implications

ATTACHMENTS

Annexure “A”: Civic Education Presentation
Annexure “B”: Summary of the Administrative Adjudication of Road Traffic Offences Amendment Bill, 2015 [B38-2015]

RECOMMENDATION

That Council notes the 3rd Quarter report on the Civic Education Programme conducted in Mbhashe, Mnquma and Ngqushwa LM's from the 19-23 March 2018.

Civic Education Drive EC Provincial Legislature

Public Hearings
19-23 March 2018

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Table of Context

- Purpose
- Legislative Framework
- Upcoming government programmes
- End

Purpose

- Is to encourage communities to take an active role in matters that affect daily interactions of government and communities
- To encourage communities to take part in decision making affairs of government
- To support government programmes and better understand reasoning and logic behind their implementation
- The local government sphere as a sphere that is closest to communities has a responsibility to put mechanism in place to ensure the participation of the citizens in municipal planning and development.
- The participation of the citizens in determining their future is ably represented by the former president of the Republic of South Africa, **Dr. Nelson Mandela** in opening the first democratic parliament on the 24th May 1994. He articulated the role thus “ We must, constrained by and yet regardless of the accumulated effect of our historical burdens, seize the time to define for ourselves what we want to make of our shared destiny”

Legislative Framework

Democracy is premised on the notion of enhanced public participation

- Constitution - S152 (e) provides for the encouragement of involvement of communities and community organisations in the matters of local government
- In line with Chapter 4 of the Municipal Systems Act, 2000, the Amathole District Municipality is committed to ensuring democratic, open, transparent and participatory system of local governance within its area of jurisdiction

7. Moving toward democratic local government

1. The pre-interim phase (1993 – 1995)
 - Interim constitution of the Republic of SA, 1993
 - Establishment of Local government negotiating forum.
 - To facilitate local government transformation and restructuring.
 - LGNF consisting of 50% of the statutory and 50% non-statutory bodies (statutory representing the established apartheid municipal and ratepayers association, non statutory representing those who were excluded and fighting for liberation)

8. The interim phase the new democratic local government

- Lasted for five years 1995
- Transitional municipalities (TRC, TLC)
- New form and structure of the new system of democratically elected transitional councils.
- New laws and policy framework were enacted to implement local government design.

9. New system of local government – Legislative

1. The constitution

- Local government in SA not regarded as a tier of government established by statute.
- A sphere of government that receives its mandate, powers and functions from constitution.
- Local government is district yet interdependent and inter-related with provincial and national government.

Upcoming government programmes

- Draft IDP/Budget roadshows
 - Indigent registrations
 - Voter registration
 - Geographical name changes
- ☐ Communities are encouraged to take part in the above programmes for the following reasons:

Draft IDP/Budget Roadshows

- The Draft IDP/Budget phase provides a plan by LM's for the forthcoming year
- Communities are expected to take note of projects/programmes to be implemented in the forthcoming financial year.
- This is the time to inquire about projects submitted but not catered for in the budget, reasons for rejection and expected timeframes for implementing projects selected
- Communities should monitor and evaluate the projects that are to be implemented in their areas, and also report timeously any deviations or sub-standard work directly to LM's or to Ward Councilors, Ward Committees, CDW's, War-rooms or any government structures.

Indigent Registration

- What is Indigent?

It means any household which is responsible for the payment of municipal services, earning a combined gross income equivalent or equal to three times the Government social grant excluding Child Support grant

Examples hereof include pensioners, the unemployed and child-headed families who are unable to fully meet their payment obligations for municipal services

The validity period of the assistance is a maximum of **24 months**. Households must re-apply at **least three months** before the end of the 24 period.

The Indigent register also assist LM to budget accordingly and source funding for indigent households within the jurisdiction of the LM

Voter registration

- 11-12 March was voter registration week in preparation for the 2019 Election.
- Those that did not manage to go and register or check their registration status are requested to go to IEC offices to do so.
- The voters roll determines funding provided for LM's, the more people registered the more funding provided for programmes and projects

Geographical name change

- Aims to redress, correct and transform the geographical naming system in South Africa
- They are the names of features on the earth that are natural, or manmade and adapted,
- People tend to give the same name to different places. ● Names may sound the same or the spelling of one place name may be very close to that of another. ● Names can be spelled in different ways. ● In a multilingual country such as South Africa, places often have more than one name.
- These situations lead to misunderstandings and confusion. In order to avoid this, geographical names are standardised by authorities throughout the country.
- Communities are therefore urged to participate in this forums in order to put their views forward.

QUESTIONS

THE END

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**SUMMARY OF THE ADMINISTRATIVE ADJUDICATION OF ROAD TRAFFIC
OFFENCES AMENDMENT BILL, 2015 [B38 – 2015]**

1. BACKGROUND TO THE BILL

The Bill seeks to:

- (a) substitute and insert certain definitions;
- (b) simplify the manner of documents being served;
- (c) provide for financing of the Authority;
- (d) provide for the apportionment of penalties;
- (e) effect textual corrections.

2. AMENDMENTS

Clause 1

- Clause 1 of the Bill amends section 1 of the Act by adding, deleting and substituting certain definitions.

Clause 2

- Clause 2 of the Bill amends section 4 of the Act, which provides for the objects and functions of the Authority. Clause 2 mainly deletes section 4(2)(e) of the Act, which deals with the issuing by the Registrar of a warrant against an infringer who has failed to comply with an enforcement order made in terms of the Act.

Clause 3

- Clause 3 of the Bill amends section 11 of the Act which provides for the administrative staff and remuneration. The clause removes the requirement of the Minister acting in consultation with the Minister of Finance, in respect of the approval of pensions and benefits determined by the Board.

Clause 4

- Clause 4 repeals section 12 of the Act which provides for the appointment of sheriffs.

Clause 5

- Clause 5 of the Bill amends section 13 of the Act, which provides for the financing of the Authority. Clause 5 inserts a new paragraph in section 13 of the Act to provide that the finances of the Authority are also derived from penalties issued and collected by or on behalf of an issuing authority.

Clause 6

- Clause 6 of the Bill amends section 15 of the Act, which provides for the banking account of the Authority. Clause 6 provides that the Authority may open and maintain one or more bank accounts with the approval of the Board of the Authority. Clause 6 also adds that the bank accounts must be used to deposit monies received by the Authority and monies received from issuing authorities, driving licence testing centres and registering authorities.

Clause 7

- Clause 7 of the Bill amends section 17 of the Act which provides for the issuance of infringement notices and the ascertainment of demerit points. It also deletes section 17(1)(f)(i) which deals with the election to be tried in court, which has been substituted by the Appeals Tribunal.
- The clause also amends 17(5) to provide that the owner or operator of a motor vehicle who permits any person to drive such vehicle or otherwise to exercise any control over such vehicle, without having ascertained the full names, identity document, residential, postal and - where applicable - business and e-mail addresses of an infringer, such person is liable for the prescribed penalty and fees.

Clause 8

- Clause 8 of the Bill amends section 18 of the Act which makes provision for the right of an infringer to make representations to a representations officer. The amendment provides that an infringer who has been served with an infringement notice alleging that he or she has committed an infringement, may make a representation in the prescribed manner with respect to that notice and infringement to the Authority.

Clause 9

- Clause 9 of the Bill amends section 19B of the Act, which provides for the payment of fines imposed for traffic infringements. If an infringer makes insufficient payment to the Authority in terms of this Act in respect of a fine or the cheque used for payment is dishonoured, a notice as prescribed must be served on an infringer, informing him or her that failure to comply with the notice will lead to an enforcement order, instead of a warrant being issued against him or her.

Clause 10

- Clause 10 amends section 20 by deleting subsection (3)(b) of section 20.
- The clause adds a new section 20(5)(bA) which deals with the prohibition of issuing of a permit or licence issued in terms of any road transport laws if an enforcement order has been issued against an infringer.

Clause 11

- Clause 11 of the Bill repeals section 21 of the Act. Section 21 of the Act empowers the registrar to issue a warrant against a traffic infringer who fails to comply with an infringement notice or an enforcement order which requires him or her to pay a traffic penalty.
- The proposed repeal means that the consequences of the failure to comply with an enforcement order will be dealt with in terms of section 20(5) of the Act, which provides that an infringer who does not comply with an enforcement order may not be issued with a driving licence, professional driving permit or licence disc in respect of a motor vehicle registered in the name of an infringer, until such enforcement order has been complied with or has been revoked.

Clause 12

- Clause 12 of the Bill repeals section 22 of the Act, which provides for the procedure in respect of a trial of an infringer who does not pay a fine but elects to be tried in court. This

proposal is in line with the repeal of the provisions dealing with the election to go to court.

Clause 13

- Clause 13 amends section 25 of the Act which provides for the prohibition on driving or operating a motor vehicle after an infringer has exceeded the prescribed threshold of demerit points.
- The amendment also introduces the concept of an “operator or a juristic person who is not an operator” and “learner drivers” in respect of categories of infringers who may incur demerit points in terms of the Act.
- Clause 13 also amends section 25(3) to indicate that an operator, or a juristic person who is not an operator, must immediately hand in his/her motor vehicle licence disc, operator card or any other permit card or licence issued in terms of road traffic legislation or transport legislation, where applicable, during the disqualification period.

Clause 14

- Clause 14 of the Bill amends section 29 of the Act which provides for the categorization of offences, infringements and demerit points.
- The new amendment clarifies that the Minister, acting with the concurrence of the Minister of Justice and the MEC of each province, may for the purpose of this Act prescribe infringements and offences.
- The amendment removes the requirement of categorising transgressions into “minor infringements, major infringements and other offences”.

Clauses 15

- Clause 15 primarily introduces a new Chapter IVA in the Act. Clause 15 provides for the establishment of the Tribunal, whose main function is to hear appeals and reviews and adjudicate on

any matter brought to it by an infringer aggrieved by a decision taken by the representation officer in terms of the Act.

- Clause 15 also provides for functions of the Tribunal, qualifications of members of the Tribunal, conditions of appointment and terms of office of members, vacancies in the Tribunal, appointment of the Deputy Chairperson of the Tribunal, sittings of the Tribunal, decisions of the Tribunal, appeals against decisions of the Tribunal and the administrative work of the Tribunal.

Clause 16

- Clause 16 of the Bill amends section 30 of the Act, which provides for documents being served on an infringer - personally or by registered mail.
- The amendment also provides that a document is deemed to have been served on the infringer on the tenth day of postage or of the electronic service and such electronic service being reflected in the National Road Traffic Offences Register, unless evidence to the contrary is adduced, which evidence may be in the form of an affidavit.

Clause 17

- Clause 17 of the Bill amends section 31 of the Act which provides for penalties. Clause 17 in effect provides that the laws of prescription are not applicable to traffic penalties and fines except in the case where representations are successful because of a technicality on the part of the authorities, in which case the infringement notice must be served again on the infringer.

Clause 18

- Clause 18 of the Bill substitutes the whole of section 32 of the Act, which provides for the apportionment of penalties. The new substitution provides that any penalty received by the Authority in terms of the Act must, as prescribed, be paid over to the issuing authority that issued the infringement notice, after deduction of an amount equal to the discount.

Clause 19

- Clause 19 of the Bill amends section 34 of the Act which deals with the power of the Minister to make regulations. Clause 19 adds a new paragraph in section 34 and gives the Minister the power to make regulations on the manner in which an infringement notice, courtesy letter or infringement order may be re-issued.

Clause 20

- Clause 20 of the Bill amends section 35 of the Act which deals with transitional provisions. Clause 20 provides that a notice issued in terms of section 56 or 341 of the Criminal Procedure Act, 1977 (Act No. 51 of 1977) - before the date of commencement of section 17 - may be continued and finalised under the Criminal Procedure Act. However, the said notice may not be issued after that commencement date in respect of an infringement, thus removing the reference to an "offence".
- Section 17 of the Act provides for the issuing of an infringement notice by an authorised officer or a person duly authorised by an issuing authority.

Clause 21

- Clause 21 of the Bill generally provides for the substitution of certain expressions. In effect, the name "Road Traffic Infringement Agency" is replaced with "Road Traffic Infringement Authority".
- The expressions "major infringement" and "minor infringement" are to be replaced with "infringement" throughout the Act.
- The expression "National Contraventions Register" is replaced with "National Road Traffic Offences Register".

Clause 22

- Clause 22 of the Bill provides for the short title and commencement.

3. **CONCLUSION**

Members of the public are urged to comment on the Bill as it will affect them once it is passed into law. Copies of the Bill may be obtained at any of the following:

- www.gov.za or
- www.ecleg.gov.za or
- Ms Zoleka Rolinyati, the Committee Coordinator responsible for the Portfolio Committee on Transport, who may be contacted at zrolinyati@ecleg.gov.za or on phone no. 082 779 9089, or
- Ms N. Stuurman, the Legal Advisor to the Committee, who may be contacted at nstuurman@ecleg.gov.za or on phone no. 082 0427113.

Verbal and written comments on the Bill are acceptable and these may be submitted to Members and staff of the Portfolio Committee who will be visiting various areas in the province conducting publicity and public hearings. Comments may also be sent via email to the above email addresses or faxed to 086 7344 949.

9.1.4 TABLING OF THE COUNCIL RESOLUTIONS FOR MEETINGS HELD ON WEDNESDAY, 28 MARCH AND THURSDAY, 26 APRIL 2018

[File No. 2/R]

[Author: Director: L&ESS/LS/pm]

[Council: 31 May 2018]

PURPOSE

To table the Council resolutions for the meetings held on the 28 March and 26 April 2018 for noting.

AUTHORITY

- The Local Government Municipal Systems Act 32 of 2000, as amended.
- The Municipal Finance Management Act 56 of 2003.
- The Performance Regulations of 2007.

LEGAL/STATUTORY REQUIREMENTS

The Local Government Municipal Systems Act, specifically Section 55 pronounces that the Municipal Manager, as head of administration, is subject to the policy directive of the Municipal Council. It is upon this pronouncement that the minutes of the Council meeting after each Council meeting are submitted to the Executive Management Committee meetings in order for the Executive Management Committee to reflect on the implementation of such resolutions and make necessary follow ups.

BACKGROUND / REASONING

The Council meetings which took place on the 28 March and 26 April 2018 at the Calgary Conference Centre, Macleantown Road took resolutions which are contained in the template attached as **Annexure “A” & “B”** to this report.

STAFF IMPLICATIONS

There are no staff implications.

FINANCIAL IMPLICATIONS

The implementation of the Council resolutions at times involves expenditure on the budget as per the approved ADM budget for 2017/2018 financial year.

OTHER PARTIES CONSULTED

Heads of Departments

ATTACHMENTS

Annexure “A & “B” - Template On The Tracking Of Council Resolutions.

RECOMMENDATION

That the update on the implementation of the Council resolutions for the meetings held on 28 March and 26 April 2018 be noted.

TRACKING OF URGENT COUNCIL RESOLUTIONS

28 MARCH 2018

DATE OF MEETING	DEPARTMENT	ITEM NO.	HEADING	RESOLUTION	COMMENTS FROM THE MEETING	ACTIONS TAKEN BY RELEVANT HOD/DEPT
28 March 2017	Corporate Services					
		8.2.1	Performance Bonuses For Municipal Manager And Directors Reporting To The Municipal Manager For 2016/17	<p>[a] That Council approves the report on payment of bonuses of the Municipal Manager and Managers directly reporting to the Municipal Manager (Section 5 managers) during 2016/17 financial year, with the following recommendations and on condition that payments will be made by the institution when its state of finances turns around.</p> <p>[b] That the Municipal Manager writes a letter to the former Municipal Manager and Directors which informs them about the decision of Council.</p>		The letters have been prepared and after they have been sanctioned/signed by the Accounting Officer, they shall be dispatched to the respective former MM and Affected HODs. The exercise will be finalised by the end of May 2018
	L & ESS	9.1.4	Proposed Schedule Of Meetings For The Amathole	[a] That Council notes the Draft Schedule of the Amathole District Municipality	J A request was made that the Institution should make sure that its calendar of meetings	The ADM calendar of meetings was sent to Local Municipalities for

DATE OF MEETING	DEPARTMENT	ITEM NO.	HEADING	RESOLUTION	COMMENTS FROM THE MEETING	ACTIONS TAKEN BY RELEVANT HOD/DEPT
			District Municipality For The 2018/2019 Financial Year	<p>Meetings, reflected under tables 1-4 as set by the Speaker.</p> <p>[b] That Council notes the Draft Schedule of Standing Committees and Executive Mayoral Committee Meetings, reflected under tables 5-6 as set by the Executive Mayor.</p>	was forwarded to Local Municipalities to avoid the clashing of meetings.	information sharing. The calendar was also placed in the agenda of the District Speaker Forum of 10 May 2018.
	MM's Office	C.1.1.1	To Request Council To Approve The Extension Of The Appointment Of The Acting Director For The Department Of Legislative And Executive Support Services For A Further Three Month Period Or Up Until Council Approves The New Staff Establishment, Whichever Comes First.	<p>That:</p> <p>[a] Council approves the extension of the appointment of the Acting Director : Legislative and Executive Support Services, for a further period of three months commencing 1 May 2018 or up until such time that Council resolves to approve the new staff establishment, whichever comes first; subject to obtaining the approval for such extension by the MEC responsible for local government;</p> <p>[b] That the Municipal Manager be directed to make written request, on behalf of Council, to the MEC for his approval of</p>		The MEC for COGTA has concurred with the extension of Ms L Simanga's appointment and a letter in that regard is available at the disposal of the Accounting Officer

DATE OF MEETING	DEPARTMENT	ITEM NO.	HEADING	RESOLUTION	COMMENTS FROM THE MEETING	ACTIONS TAKEN BY RELEVANT HOD/DEPT
				the extension as set out in [a] above.		

TRACKING OF URGENT COUNCIL RESOLUTIONS

26 APRIL 2018

DATE OF MEETING	DEPARTMENT	ITEM NO.	HEADING	RESOLUTION	COMMENTS FROM THE MEETING	ACTIONS TAKEN BY RELEVANT HOD/DEPT
26 April 2018	BTO					
		5.1.1.7	Section 52(D) Report For The Third Quarter Ending 31 March 2018	<p>That Council;</p> <p>(h) Notes the performance of the Municipality’s budget and financial state of affairs for the third quarter ended 31 March 2018;</p> <p>(i) Notes the MFMA Section 66 reports, relating to employee costs and benefits, for the third quarter ended 31 March 2018;</p> <p>(j) Notes the report on the withdrawals made during the third quarter from the Municipal bank account in terms of Section 11 of the MFMA.</p>	<p>) On the issue of the institution’s financial viability it was reported that the Institution was financially bankrupt, as there were no funds to last the rest of the financial year.</p> <p>) The Council wanted a detailed report on how the institution would overcome the financial issues should be made available in the May Council meeting.</p> <p>) It was further reported that the Institution was now depending on grants, money for June salaries was not available but the Institution needed to find a way of paying salaries.</p> <p>) On the issue of bad financial situation and financial bail out, it was reported that</p>	<p>A report on the June salaries will be prepared for the May Council meeting.</p> <p>A report on the debt due by Municipal Councillors will</p>

DATE OF MEETING	DEPARTMENT	ITEM NO.	HEADING	RESOLUTION	COMMENTS FROM THE MEETING	ACTIONS TAKEN BY RELEVANT HOD/DEPT
				<p>(k) Notes the report on supply chain management for the third quarter ended 31 March 2018;</p> <p>(l) Notes the report on deviations and breaches for the third quarter ended 31 March 2018 amounting to R8,539,192.78;</p> <p>(m) Notes the awards of bids and quotations during the third quarter ended 31 March 2018;</p> <p>(n) Notes the unauthorised, fruitless and irregular expenditure and refers the items to MPAC for further investigation in order to determine whether expenditure is to be recovered.</p>	<p>there has not been any luck in looking for bailouts but the Institution still has to find ways of resolving its problems which were inclusive of the SAP system.</p> <p>) On page 206, on list of Councillors and Officials owing the Institution, clarity was requested as to whether that statement showed a true reflection.</p> <p>) It was reported that the SAP system was not recognizing the process of deducting money automatically, therefore statements were done manually in order for Councillors and staff to get updated statements and that their names would be cleared in the May list.</p> <p>) A report with the benefits of using the SAP system was of any benefit to the Institution was requested.</p> <p>) A suggestion was made that the Council should note the report as it was a compliance report with correction to be made.</p>	<p>be prepared for the May Council meeting.</p>

DATE OF MEETING	DEPARTMENT	ITEM NO.	HEADING	RESOLUTION	COMMENTS FROM THE MEETING	ACTIONS TAKEN BY RELEVANT HOD/DEPT
					It was advised that the Council had complied by tabling the report but the report had gaps which needed to be correct and presented in the next May Council .	
		C.1.1	Progress Report On The Filling Of The Vacant Position Of A Chief Financial Officer	<p>(d) That Council takes note of the recruitment and selection process of the Chief Financial Officer.</p> <p>(e) That Council approves the recruitment and selection panel members for the Chief Financial Officer position.</p> <p>(f) That Council takes note of the proposed dates for short-listing and interviews the Chief Financial Officer position.</p>	Council to be provided with the progress regarding the Chief Financial Officer's recruitment processes.	The interviews for the CFO position were held on Friday 11 May 2018 and a report with recommendations will serve in the next Council Meeting scheduled for the end of May 2018.

9.1.5 REPORT ON THE PROVINCIAL LEGISLATURE PROGRAMME “TAKING LEGISLATURE TO THE PEOPLE”

[File No: 3/2/2/2/3]

[Author: Director: L&ESS: LS/bzm]

[Council: 31 May 2018]

PURPOSE

- (a) For the Council to note the report on the envisaged Legislature Program on “**Taking Legislature to the People**” to be held with Amathole District Municipality.
- (b) For the Council to note that the Legislature Program “**Taking Legislature to the People**” will be held within the Mbhashe Local Municipality.

AUTHORITY

- Constitution of the Republic of South Africa, 1996 as amended
- The Intergovernmental Relations Framework Act (Act 13 of 2003)

LEGAL/STATUTORY REQUIREMENTS

Chapter 3 of the Constitution of the Republic of South Africa 1996 as amended, Section 41 (h) provides for the three spheres of Government to “cooperate with one another in mutual trust and good faith by:

- Fostering friendly relations
- Assisting and supporting one another
- Informing one another of and consulting one another on, matters of common interest
- Coordinating their actions and legislations with one another
- Adhering to agreed procedures
- Avoiding legal proceedings against one another “

The Intergovernmental Relations Framework Act 13 of 2003, provides guidelines on the establishment of structures to enhance cooperation between the spheres of government to promote the objectives of cooperative governance.

The Legislature is empowered by the above legislation to facilitate interaction between the councils of local, district and metropolitan municipalities to discuss matters pertaining to the functioning of the legislative sector, within the framework of the Intergovernmental Relations.

BACKGROUND, EXPOSITION AND FACTS

The Speaker of the Eastern Cape Legislature Hon. Ms Kiviet, visited ADM and met with the Troika on the 25 April 2018. The purpose of the meeting was to introduce the Program to the District Municipality and advise the District that this year’s program would be held within the ADM jurisdiction.

During discussion the following matters were raised:

1. The Program will be held on 15-19 October 2018

2. The District Municipality will decide on the Local Municipality in which the program will be held.
3. Once the municipality is decided all committees in the legislature will visit the area to gather information in issues that require attention.
4. There are no resources required from the Municipality, except that councillors are expected to attend the sessions, and costs of councillor attendance are for the municipality.
5. The target audience per day is 1500 people.
6. Senior Management in Provincial sphere and Municipal spheres are expected to work closely in the program.

Further details on the Program are in the attached presentation in Annexure A

The ADM Troika held on 10 May 2018 resolved to recommend that the program be held in Mbhashe Local Municipality. This view was also supported by the District Speakers Forum. The Speaker met with the Troika of Mbhashe on Thursday 17th May 2018 to discuss the matter. Mbhashe warmly welcomed the proposal and committed to support it. It was further resolved in the meeting that the Program would be held in Xhorha in ward 32. Further details about the actual venue will emerge after further consultation with stakeholders on the ground which Mbhashe committed to expedite.

STAFF IMPLICATIONS

There are no staff implications.

FINANCIAL IMPLICATIONS

There are no financial implications for the report.

OTHER PARTIES CONSULTED

Speaker of the Eastern Cape Provincial Legislature
Office of the Executive Mayor: ADM
Office of the Chief Whip: ADM

ATTACHMENT

Annexure “A”-Presentation on “Taking Legislature to the People”

RECOMMENDATIONS

- (a) That the Council notes the report on the Legislature Program called “**Taking Legislature to the People**”.
- (b) That Council notes that the Program will be held in Mbhashe Local Municipality in the Xhorha area.



PRESENTATION TO TRIOKA: AMATHOLE DISTRICT MUNICIPALITY TAKING LEGISLATURE TO THE PEOPLE: 2018

25 MAY 2018

TABLE OF CONTENT

- Background
- Modus Operandi
- Assistance required
- Costs

BACKGROUND

- ❖ In terms of section 118 of the Constitution, the Legislature has a constitutional obligation to facilitate public involvement in its legislative and other processes.
- ❖ Public participation plays a crucial role in deepening democracy and promoting good governance.
- ❖ The democratic government emphasized the need for engagement between itself and citizens.
- ❖ Therefore public participation is a key constitutional principle which is clear on government responding to the needs of the people and encouraging public to participate in Government activities.

INTRODUCTION

- ❖ In complying with section 118 of the Constitution, the South African Legislative Sector through the national Speaker's Forum had adopted a Public Participation Framework to enable the Sector to conduct effective public involvement in its processes.
- ❖ One of the mechanisms used by the Legislature annually to conduct public involvement is the programme of Taking Legislature to the People.
- ❖ The programme rotates amongst the District Municipalities and two Metros and since 2010.

MODUS OPERANDI

- ❖ This year the event will be held from 15 – 19 October
- ❖ Speaker of the Legislature meets with the political leadership (Troika) of the identified District for consultation purposes.
- ❖ Identified committees of the Legislature will conduct a pre oversight visit for a fact finding mission regarding service delivery in the District in August.
- ❖ Reports of the committees that conducted oversight will be sent to the relevant Members of the Executive Council (MECs) in order to address identified challenges where possible.
- ❖ Public Education/publicity will be conducted in partnership with the municipality for identified members of the public from the wards.

MODUS OPERANDI

- ❖ A day before the event: Political Parties of the Legislature will hold their caucus.
- ❖ On the day of the event:
 - 1500 members of the public from the municipality wards will be invited to attend.
 - Reports of committees will be debated, members of the public will be given an opportunity to speak.
 - MECs will be given an opportunity to respond to the issues raised by Members of the public.
- ❖ A joint project team of the Legislature and the Municipality will work together in preparing for the event.

ASSISTANCE REQUIRED

- ❖ The Legislature requests the District to identify :
 - A municipality and the venue where the event will be held.
 - A political champion who will communicate with the ECPL Speaker/project team on political issues.
 - Officials who will form part of ECPL project team in planning for the event.

COSTS

- ❖ The Legislature will be responsible for all the costs of the event except those of Councillors if any.

THANK YOU

REPORTS BY
CHAIRPERSONS
OF
SECTION 79 AND
OTHER
COMMITTEES

ITEM 10.1
AUDIT AND RISK COMMITTEE

10.1.1 REPORT ON AUDIT ACTION PLANS: INTERNAL AND EXTERNAL AUDIT REPORTS FOR 2016/17

[File No.: 5/15/1]

[Author: GM: Internal Audit: MK/nm]

[ARC: 14 May 2018]

[Council: 31 May 2018]

PURPOSE

For the Council to note progress on the audit report action plan addressing the matters raised by the Auditor General for the 2016/17 financial year, and Internal Audit reports.

AUTHORITY

-) The Public Audit Act 25 of 2004
-) The Municipal Finance Management Act 56 of 2003

LEGAL/STATUTORY REQUIREMENTS

Public Audit Act section 4 requires that the Auditor General must audit and report on the accounts, financial statements and financial management of all municipalities.

Section 131(1) of the Municipal Finance Management Act stipulates that a municipality must address any issues raised by the Auditor-General in an audit report.

BACKGROUND / REASONING

The Amathole District Municipality received a qualified audit opinion (financially qualified) with emphasis of matter for the 2016/17 financial year and the audit report contained findings on matters relating to non-compliance with certain laws and regulations. The matters of non-compliance influenced the opinion issued.

The Auditor General was of the opinion that the matters of non-compliance were as a result of weaknesses in internal controls, and performance management. He cautioned the municipality that, effective internal control measures are the responsibility of management. The matters raised in the Audit Report are weaknesses that have been identified during the performance of the audit by the Office of the Auditor General, which management are to address. To ensure that all audit findings are addressed, an audit action plan will be developed which will assign planned responses, responsibilities and timeframes to relevant officials. This will be monitored and reviewed by related HOD's to ensure that all issues raised by Auditor General are addressed.

Basis for qualified opinion by the Office of the Auditor General are:

-) Property, Plant and Equipment; and
-) Commitments.

Emphasis of matters are as follow:

-) material impairments;
-) restatement of corresponding figures;
-) unauthorized expenditure;
-) irregular expenditure;
-) fruitless and wasteful expenditure; and
-) financial sustainability.

Leadership

On leadership, the Auditor General advised that improved oversight by managers may have assisted in the prevention of the issues on non-compliance with the MFMA and DoRA and material adjustments to the annual financial statements. In addition the municipality should ensure that there are no significant weaknesses in internal controls.

Financial and Performance Management

In the 2016/17 financial year material misstatements were identified during the audit, and some of these were not corrected by management.

CONCLUSION

Internal Audit managed to populate the Audit Action Plan relating to the Auditor-General's Audit Report, Management Letter and Internal Audit Reports. Management designed action plans, implementation dates and progress in some instances. However to receive a clean audit, the current status quo must be improved and all matters of non-compliance with laws and regulations must be resolved. It is envisaged that this can be achieved through improved internal controls and monitoring of action plans by leadership. For the municipality to achieve a clean audit, there is a need for clean administration, by having effective internal controls. Leadership also needs to improve on implementation and monitoring of a compliance tool.

STAFF IMPLICATIONS

Relevant officials will be listed in the action plan as per their assigned responsibilities.

FINANCIAL IMPLICATIONS

Addressing gaps identified in the action plan may result in future cost reduction to council

OTHER PARTIES CONSULTED

The Office of the Auditor General
Relevant departments within ADM.

ATTACHMENTS

Annexure “A” - Action Plan

RESOLVED

That the progress and status of matters in the Audit Report Action Plan for the 2016/2017 financial year be noted.

Amathole District Municipality - Draft Audit Action Plan: 2017/2018													
Reference/No	Audit Report paragraph / Internal Audit Report / Management Report finding	n	Findings	Legal Requirements	Type (Is the finding an Administrative matter or other matters affecting the organisation)	Compliance Finding (Yes/No)	Repeat Finding from PY (Yes/No)	Cause/Internal Control System Lapse (Audit Report & Management Report)	Action plan	Progress	Responsible person	Start Date	Completion Date
Audit Report paragraph 5 : Management Report finding No: 1	Audit Report paragraph	Commitments	Audit Report paragraph 5 - The group did not disclose all contractual commitments for acquisition of property, plant and equipment in accordance with GRAP 17. Property, plant and equipment. Recorded amounts did not agree with invoices inspected, invalid contracts were incorrectly included in the commitments register and not all commitments were recorded in the commitments register. This resulted in overstatement of commitments, as disclosed in note 43 to the consolidated and separate financial statements, by R87,6 million. Management Report finding No: 1 - Non-existent contract included in the commitment register	In terms of paragraph 65(1) of Municipal Finance Management Act No 56 of 2003 (MFMA), "The accounting officer of the municipality be responsible for management of the expenditure of the municipality.	Matters affecting the auditor's report	Yes	No	The cause of this finding is inadequate review of the commitment register against supporting evidence and inadequate follow up of external audit findings by management.	1.Develop checklist that will clearly define the reconciliation mechanism between contracts register, updated to commitments register and Work in progress vs Projects on completion 2. Update the commitment register on a daily basis with new contracts and payments 3. Weekly review of the commitments register 4. Perform a monthly reconciliation between the commitments register, WIP register and retention register	In progress - 1) The commitment register has been updated with contract information till end of December 2017 2) the opening balances have been reconciled and restated 3) Payments are being reconciled, however R62 million worth of payment vouchers are still being sought	CFO	January 2018	30 June 2018
Audit Report paragraph 5 : Management Report finding No: 2	Audit Report paragraph	Commitments	Audit Report paragraph 5 - The group did not disclose all contractual commitments for acquisition of property, plant and equipment in accordance with GRAP 17. Property, plant and equipment. Recorded amounts did not agree with invoices inspected, invalid contracts were incorrectly included in the commitments register and not all commitments were recorded in the commitments register. This resulted in overstatement of commitments, as disclosed in note 43 to the consolidated and separate financial statements, by R67,6 million. Management Report finding No: 2 - Commitments not completely identified and reported.	In terms of paragraph 65(1) of Municipal Finance Management Act No 56 of 2003 (MFMA), "The accounting officer of the municipality be responsible for management of the expenditure of the municipality.	Matters affecting the auditor's report	Yes	No	The cause of this finding is due to inadequate reviews by management to ensure that all contracts awarded during the financial year have been included in the commitments schedule.	1.Develop checklist that will clearly define the reconciliation mechanism between contracts register, updated to commitments register and Work in progress vs Projects on completion 2. Update the commitment register on a daily basis with new contracts and payments 3. Weekly review of the commitments register 4. Perform a monthly reconciliation between the commitments register, WIP register and retention register	In progress - 1) The commitment register has been updated with contract information till end of December 2017 2) the opening balances have been reconciled and restated 3) Payments are being reconciled, however R62 million worth of payment vouchers are still being sought	CFO	January 2018	30 June 2018
Audit Report paragraph 5 : Management Report finding No: 3	Audit Report paragraph	Commitments	Audit Report paragraph 5 - The group did not disclose all contractual commitments for acquisition of property, plant and equipment in accordance with GRAP 17. Property, plant and equipment. Recorded amounts did not agree with invoices inspected, invalid contracts were incorrectly included in the commitments register and not all commitments were recorded in the commitments register. This resulted in overstatement of commitments, as disclosed in note 43 to the consolidated and separate financial statements, by R67,6 million. Management Report finding No: 3 - Differences identified between recalculated commitment balance and balance per commitment register.	In terms of paragraph 62(1)(c) of the MFMA, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."	Matters affecting the auditor's report	Yes	No	The cause of this finding is due to the following: • Commitments register is not updated timeously upon receipt of invoice. • Inadequate reviews on the commitments register by management.	1.Develop checklist that will clearly define the reconciliation mechanism between contracts register, updated to commitments register and Work in progress vs Projects on completion 2. Update the commitment register on a daily basis with new contracts and payments 3. Weekly review of the commitments register 4. Perform a monthly reconciliation between the commitments register, WIP register and retention register	In progress - 1) The commitment register has been updated with contract information till end of December 2017 2) the opening balances have been reconciled and restated 3) Payments are being reconciled, however R62 million worth of payment vouchers are still being sought	CFO	January 2018	30 June 2018
Audit Report paragraph 5 : Management Report finding No: 4	Audit Report paragraph	Commitments	Audit Report paragraph 5 - The group did not disclose all contractual commitments for acquisition of property, plant and equipment in accordance with GRAP 17. Property, plant and equipment. Recorded amounts did not agree with invoices inspected, invalid contracts were incorrectly included in the commitments register and not all commitments were recorded in the commitments register. This resulted in overstatement of commitments, as disclosed in note 43 to the consolidated and separate financial statements, by R87,6 million. Management Report finding No: 4 - Incorrect calculation of the commitment balance.	In terms of paragraph 62(1)(c) of the MFMA, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."	Matters affecting the auditor's report	Yes	No	The finding is caused by the following: (i) Commitments register is not updated timeously upon receipt of invoice. (ii) Inadequate reviews on the contract register by management.	1.Develop checklist that will clearly define the reconciliation mechanism between contracts register, updated to commitments register and Work in progress vs Projects on completion 2. Update the commitment register on a daily basis with new contracts and payments 3. Weekly review of the commitments register 4. Perform a monthly reconciliation between the commitments register, WIP register and retention register	In progress - 1) The commitment register has been updated with contract information till end of December 2017 2) the opening balances have been reconciled and restated 3) Payments are being reconciled, however R62 million worth of payment vouchers are still being sought	CFO	January 2018	30 June 2018
Audit Report paragraph 34 : Management Report finding No: 5	Audit Report paragraph	Expenditure management	Audit Report paragraph 34 - Money owed by the municipality was not always paid within 30 days as required by section 65(2)(e) of the MFMA. Management Report finding No: 5 - Payments not made within 30 days of receipt of invoice.	In terms of section 65(2)(e) and section 99(2)(b) of the Municipal Finance Management Act 56 of 2003 the accounting officer must take all reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure;	Matters affecting the auditor's report	Yes	Yes	The cause of this finding is due to challenges experienced with the new financial system.	Registers are maintained to track invoices, however the cash flow constraints are causing invoices to be paid after 30 days. Percentage payments made will be reported in the Sec 71 reports and Sec 52(d) reports. Disclosure in the notes to the annual financial statements will be included	In progress -Sec 71 report contains the details of the payments not made within 30 days. Jan 42% paid within 30 days Feb 15% paid within 30 days Second quarter financial statements have disclosed the payment day details	CFO	January 2018	30 June 2018
Audit Report paragraph 39 : Management Report finding No: 6	Audit Report paragraph	Consequence Management	Audit Report paragraph 39-Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA. Management Report finding No: 6 -Unauthorised expenditure not investigated as required	In terms of section 32(2)(a) of the MFMA, a municipality must recover unauthorised expenditure from the person liable for that expenditure unless the expenditure is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council.	Matters affecting the auditor's report	Yes	No	The cause is that Council didn't feel there was a need for investigation as write up to the request write-off was self-explanatory.	1.Analyse unauthorised expenditure incurred prior June 2017and pull a report that properly supports the figures 2. Submit to Council for the purpose of investigation towards condonement 3. Monthly process to analyse and identify commitment items that exceed budget and viewments to be effected in line with the budget policy 4. New unauthorised expenditure to be reported in Sec 71 and Sec 52(d) reports	In progress	CFO	March 2018	30 June 2018
Audit Report paragraph 40 : Management Report finding No: 7	Audit Report paragraph	Consequence Management	Audit Report paragraph 40- Irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA. Management Report finding No: 7 - Irregular expenditure not investigated as required	In terms of section 32(2)(b) of the MFMA, a municipality must recover irregular expenditure from the person liable for that expenditure unless the expenditure is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council.	Matters affecting the auditor's report	Yes	No	Internal control deficiency -Financial and performance management: Review and monitor compliance with applicable legislation.	1.Analyse irregular expenditure incurred prior June 2017and pull a report that properly supports the figures 2. Submit to Council for the purpose of noting and further investigation towards condonement 3. New irregular expenditure to be reported in Sec 71 and Sec 52(d) reports	In progress	Municipal Manager	March 2018	30 June 2018
Audit Report paragraph 41 : Management Report finding No: 8	Audit Report paragraph	Consequence management	Audit Report paragraph 41 Some of the losses resulting from irregular expenditure were certified by the council as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(b) of the MFMA. Management Report finding No: 8 - Irregular expenditure certified as irrecoverable by Council and written off without being investigated	In terms of section 32(2)(b) of the MFMA, a municipality must recover irregular expenditure from the person liable for that expenditure unless the expenditure is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council.	Matters affecting the auditor's report	Yes	No	The cause is that management is of the view that the expenditure identified by AGSA as irregular is not irregular.	1) MM to submit irregular expenditure report to Council for noting 2) MM to submit recommendations for MPAC to investigate	In progress -The SCM unit normally prepare the reports for council on behalf of the MM, hence I am requesting any update from SCM as to whether any such reports have been sent to council as yet in the new financial year.	Municipal Manager	March 2018	30 June 2018
Audit Report paragraph 34 : Management Report finding No: 9	Audit Report paragraph	Property, plant and equipment	Audit Report paragraph 3 - The municipality did not recognise all items of property, plant and equipment in accordance with GRAP 17. Property, plant and equipment. Not all infrastructure assets were recorded in the fixed asset register and the useful lives of infrastructure assets were not assessed for any indications that the group's expectation about the useful lives have changed since the preceding reporting date. Due to the lack of systems, it was impracticable to determine the full extent of the understatement of infrastructure assets. Consequently, I was unable to determine whether any adjustments were necessary to the net carrying amount of infrastructure assets of R4,5 billion, as disclosed in note 4 to the consolidated and separate financial statements. Audit Report paragraph 4 - In addition, the group did not recognise all items of property, plant and equipment in accordance with GRAP 17. Property, plant and equipment, as the following deficiencies were identified: • Assets under construction were incorrectly recognised as transfers and grants expenditure • Assets under construction were not recorded at appropriate amounts • Research costs were incorrectly capitalised into assets under construction • The fixed asset register did not agree with the financial statements As a result, infrastructure assets disclosed in note 4 to the consolidated and separate financial statements were understated by R192,1 million, transfers and grants expenditure as disclosed in note 30 to the consolidated and separate financial statements was overstated by R167,4 million, depreciation and amortisation as disclosed in note 34 to the consolidated and separate financial statements was overstated by R16,6 million and accumulated surplus was understated by R8,1 million. Management Report finding No: 9 - Operating expenditure (feasibility study costs) incorrectly capitalized into WIP	In terms of GRAP 17, paragraph 7, the cost of an item of property, plant and equipment shall be recognised as an asset if, and only if: a) it is probable that future economic benefits or service potential associated with the item will flow to the entity, and b) the cost or fair value of the item can be measured reliably. • Research costs were incorrectly capitalised into assets under construction • The fixed asset register did not agree with the financial statements As a result, infrastructure assets disclosed in note 4 to the consolidated and separate financial statements were understated by R192,1 million, transfers and grants expenditure as disclosed in note 30 to the consolidated and separate financial statements was overstated by R167,4 million, depreciation and amortisation as disclosed in note 34 to the consolidated and separate financial statements was overstated by R16,6 million and accumulated surplus was understated by R8,1 million. Management Report finding No: 9 - Operating expenditure (feasibility study costs) incorrectly capitalized into WIP	Matters affecting the auditor's report	Yes	No	There is a lack of review on asset recognition in terms of GRAP standards. The impact is that property, plant and equipment is overstatement by a projected disagreement misstatement of R21,9 million, opening accumulated surplus overstated by a projected disagreement misstatement of R19,6 million and general expenses understated by a projected disagreement misstatement of R2,3 million.	1. ADM to review the entire population for the past three years to analyse each invoice paid 2.Update a spreadsheet for items to be expensed 3. AG to be engaged in the process 4.Beef up asset unit by students to fulfil this task 5.Purpose journals to correct the overstatement of assets	In progress	CFO	January 2018	30 June 2018
Audit Report paragraph 34 : Management Report finding No: 10	Audit Report paragraph	Property, plant and equipment	Audit Report paragraph 3 - The municipality did not recognise all items of property, plant and equipment in accordance with GRAP 17. Property, plant and equipment. Not all infrastructure assets were recorded in the fixed asset register and the useful lives of infrastructure assets were not assessed for any indications that the group's expectation about the useful lives have changed since the preceding reporting date. Due to the lack of systems, it was impracticable to determine the full extent of the understatement of infrastructure assets. Consequently, I was unable to determine whether any adjustments were necessary to the net carrying amount of infrastructure assets of R4,5 billion, as disclosed in note 4 to the consolidated and separate financial statements. Audit Report paragraph 4 - In addition, the group did not recognise all items of property, plant and equipment in accordance with GRAP 17. Property, plant and equipment, as the following deficiencies were identified: • Assets under construction were incorrectly recognised as transfers and grants expenditure • Assets under construction were not recorded at appropriate amounts • Research costs were incorrectly capitalised into assets under construction • The fixed asset register did not agree with the financial statements As a result, infrastructure assets disclosed in note 4 to the consolidated and separate financial statements were understated by R192,1 million, transfers and grants expenditure as disclosed in note 30 to the consolidated and separate financial statements was overstated by R167,4 million, depreciation and amortisation as disclosed in note 34 to the consolidated and separate financial statements was overstated by R16,6 million and accumulated surplus was understated by R8,1 million. Management Report finding No: 10 - Capital expenditure per commitment register not capitalized and infrastructure assets per GIS system recorded in the fixed assets register	Section 62(1)(c)(i) of the MFMA states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.	Matters affecting the auditor's report	Yes	No	The cause is inadequate review and reconciliation of the fixed assets register to the GIS system and WIP by senior management.	1.Develop checklist that will clearly define the reconciliation mechanism between contracts register, updated to commitments register and Work in progress vs Projects on completion 2. Review of all assets in the GIS and reconcile them into a fixed asset register and report on progress monthly 3.Update the three registers on weekly basis 4. Capitalise assets on a Monthly basis 5. Monthly engagements between Engineering, asset division and contracts to ensure completeness of the exercise 6 Independent Review of the exercise to ensure completeness and accuracy	In progress - 1) Developed a draft asset turnaround plan which incorporates daily activities to be performed including dates 2) Draft reconciliation between FAR and GIS 3) Analysed the Payment vouchers of both 2016/17 and 2017/18. Journals to rectify are being prepared. 4) Engagements with Engineering to determine classification of expenditure/capitalisation	CFO	January 2018	30 June 2018

Reference/No	Audit Report paragraph / Internal Audit Report / Management Report finding	n	Findings	Legal Requirements	Type (Is the finding an Administrative matter or other matters affecting the organisation)	Compliance Finding (Yes/No)	Repeat Finding from PY (Yes/No)	Cause/Internal Control System Lapse (Audit Report & Management Report)	Action plan	Progress	Responsible person	Start Date	Completion Date
Audit Report paragraph 34 : Management Report finding No: 11	Audit Report paragraph	Property, plant and equipment	Audit Report paragraph 3 - The municipality did not recognise all items of property, plant and equipment in accordance with GRAP 17. Property, plant and equipment. Not all infrastructure assets were recorded in the fixed asset register and the useful lives of infrastructure assets were not assessed for any indications that the group's expectation about the useful lives have changed since the preceding reporting date. Due to the lack of systems, it was impracticable to determine the full extent of the understatement of infrastructure assets. Consequently, I was unable to determine whether any adjustments were necessary to the net carrying amount of infrastructure assets of R4,5 billion, as disclosed in note 4 to the consolidated and separate financial statements. Audit Report paragraph 4 - In addition, the group did not recognise all items of property, plant and equipment in accordance with GRAP 17. Property, plant and equipment, as the following deficiencies were identified: • Assets under construction were incorrectly recognised as transfers and grants expenditure • Assets under construction were not recorded at appropriate amounts • Research costs were incorrectly capitalised into assets under construction • The fixed asset register did not agree with the financial statements As a result, infrastructure assets disclosed in note 4 to the consolidated and separate financial statements were understated by R192,1 million, transfers and grants expenditure as disclosed in note 30 to the consolidated and separate financial statements was overstated by R167,4 million, depreciation and amortisation as disclosed in note 34 to the consolidated and separate financial statements was overstated by R16,6 million and accumulated surplus was understated by R8,1 million. Management Report finding No: 11 - Useful lives and residual values not reviewed	In terms of GRAP 17, paragraph 56, the residual value and the useful life of an asset shall be reviewed at least at each reporting date and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate	Matters affecting the auditor's report	Yes	No	The cause is that management is of the view that it is impractical to review useful lives of infra	1 Develop a procedure manual on how to conduct the useful life and workshop the user Departments 2. Review asset management policy to define the period within which the useful life can be reviewed 3 Implement the procedure manual from March 2018 4 Update the asset register based on assessment	In progress - Asset management policy has been reviewed and procedure manual has been updated	CFO	January 2018	30 June 2018
Audit Report paragraph 34 : Management Report finding No: 48 (a)	Audit Report paragraph	Financial statements	Audit Report paragraph 3 - The municipality did not recognise all items of property, plant and equipment in accordance with GRAP 17. Property, plant and equipment. Not all infrastructure assets were recorded in the fixed asset register and the useful lives of infrastructure assets were not assessed for any indications that the group's expectation about the useful lives have changed since the preceding reporting date. Due to the lack of systems, it was impracticable to determine the full extent of the understatement of infrastructure assets. Consequently, I was unable to determine whether any adjustments were necessary to the net carrying amount of infrastructure assets of R4,5 billion, as disclosed in note 4 to the consolidated and separate financial statements. Audit Report paragraph 4 - In addition, the group did not recognise all items of property, plant and equipment in accordance with GRAP 17. Property, plant and equipment, as the following deficiencies were identified: • Assets under construction were incorrectly recognised as transfers and grants expenditure • Assets under construction were not recorded at appropriate amounts • Research costs were incorrectly capitalised into assets under construction • The fixed asset register did not agree with the financial statements As a result, infrastructure assets disclosed in note 4 to the consolidated and separate financial statements were understated by R192,1 million, transfers and grants expenditure as disclosed in note 30 to the consolidated and separate financial statements was overstated by R167,4 million, depreciation and amortisation as disclosed in note 34 to the consolidated and separate financial statements was overstated by R16,6 million and accumulated surplus was understated by R8,1 million. Management Report finding No: 48 (a) - Property, Plant and Equipment [Differences between the AFS, TB/GL and supporting schedules]	Section 62(1) (b) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), states that "the accounting officer of the municipality is responsible for financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards."	Matters affecting the auditor's report	Yes	No	The finding is due to inadequate reviews of the amounts disclosed in the financial statements against underlying supporting schedules as well as reallocation/reclassification of amounts in the financial statements without passing reallocation/reclassification journals in the general ledger and trial balance.	A quality review will be in three phases: Management, Independent reviewer and Internal Audit working together with Audit Committee	In progress - Review of the GM, SM and Managers of the AFS IGL to the FAR was performed for both Q1 and Q2. Findings were identified from the review of the FAR to the Q1 and Q2 financial statements. These are being investigated	CFO	January 2018	30 June 2018
Audit Report paragraph 37 : Management Report finding No: 48 (b)	Audit Report paragraph	Financial statements	Audit Report paragraph 37 - The consolidated and separate financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of receivables from exchange transactions and VAT payable identified by the auditors in the submitted consolidated and separate financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the consolidated and separate financial statements receiving a qualified audit opinion. Management Report finding No: 48 (b) - Payables from exchange transactions - Reconciliation between the AFS/TB & supporting schedules	Section 62(1) (b) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), states that "the accounting officer of the municipality is responsible for financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards."	Matters affecting the auditor's report	Yes	No	The finding is due to inadequate reviews of the amounts disclosed in the financial statements against underlying supporting schedules as well as reallocation/reclassification of amounts in the financial statements without passing reallocation/reclassification journals in the general ledger and trial balance.	1 Correct R500 000 grant allocated by CoGTA to ADM for the amalgamation of Ntuba and Nkonkobe LMs. Supporting documentation for this amount is to be provided from CoGTA. Downloaded section 12 Notice	In progress	CFO	January 2018	30 March 2018
Audit Report paragraph 43 : Management Report finding No: 49	Audit Report paragraph	Property, plant and equipment	Audit Report paragraph 43 - An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA. Management Report finding No: 49 - Fixed asset register is not GRAP compliant	In terms of section 63 (1) (a) and (2) (a) of the Municipal Finance Management Act (MFMA), the accounting officer of a municipality is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality.	Matters affecting the auditor's report	Yes	Yes	The cause is that management does not ensure the fixed asset register is properly updated and GRAP compliant.	A quality review will be in three phases: Management, Independent reviewer and Internal Audit working together with Audit Committee to ensure GRAP compliant asset register is produced by the Municipality	In progress - The FAR has been updated with the location for the Community Assets category of assets	CFO	January 2018	30 June 2018
Audit Report paragraph 38 : Management Report finding No: 62	Audit Report paragraph	Procurement and contract management	Audit Report paragraph 38 - Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Management Report finding No: 62 - Competitive bidding process not followed	In terms of SCM regulation, 19(a), a supply chain management policy must specify that goods or services above a transaction value of R200000 (VAT included) and long term contracts may be procured by the municipality or municipal entity only through a competitive bidding process, subject to regulation 11(2).	Matters affecting the auditor's report	Yes	No	The cause of this was the need for immediate implementation of the project.	1 Analyse irregular expenditure incurred prior June 2017 and pull a report that properly supports the figures 2. Submit to Council for the purpose of noting and further investigation towards condonement 3. New irregular expenditure to be reported in Sec 71 and Sec 52(d) reports 4. MPAC to investigate based upon the recommendations	In progress	CFO	Mar-18	30-Jun-18
Management Report finding No: 12	Management Report finding	General expenditure	Expenditure on capital projects incorrectly classified as general expenditure (conditional grants expenditure)	In terms of Section 62(1)(c)(i) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) requires that the accounting officer of the municipality must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.	Matters affecting the auditor's report	Yes	No	The cause is inadequate review of the financial statements against the GRAP framework by an appropriate level of management.	All conditional grant expenditure will be scrutinised in order to identify capital expenditure. If capital in nature, the General Ledger WIP balance will be updated. Non-capital expenditure will remain as an expense. Detailed working papers (PV no, amount, payee, date, etc) supporting the amounts capitalised and remaining as expenditure will be prepared and maintained monthly so as to substantiate the figures in the trial balance and financial statements.	In progress - Analysed the payment vouchers from July 2017 to December 2017. Amounts to be capitalised have been identified, seeking support from the system vendor to assist with the capitalisation	CFO	February 2018	30 June 2018
Audit Report paragraph 28 : Management Report finding No: 13	Audit Report paragraph	Audit of predetermined objectives	Audit Report paragraph 28 - There was no clear and logical link between the target and the indicator to which it relates, as required by the Framework for managing programme performance information (FMPPI). The target focused on operation and maintenance of a solid waste site, while the indicator aimed to achieve construction of a solid waste site. Management Report finding No: 13 - SDI target per SGBIP not relevant to the indicator	Section 46(1)(a) of the Municipal Systems Act states that a municipality must prepare for each financial year a performance report reflecting the performance of the municipality and each external service provider during that financial year.	Matters affecting the auditor's report	Yes	No	The cause is that the indicators and targets are not set in terms of the framework for managing programmes performance information.	N/A	In progress - Motivations for SGBIP changes mid-term will be reviewed in the HOD reviews session to ensure that we retain the SMART principle in the revised SGBIP.	Director: Strategic Planning & Management	January 2018	30 June 2018

Reference/No	Audit Report paragraph / Internal Audit Report / Management Report finding	n	Findings	Legal Requirements	Type (Is the finding an Administrative matter or other matters affecting the organisation)	Compliance Finding (Yes/No)	Repeat Finding from PY (Yes/No)	Cause/Internal Control System Lapse (Audit Report & Management Report)	Action plan	Progress	Responsible person	Start Date	Completion Date
Management Report finding No: 15 i)	Management Report finding	General IT Controls	Inadequate IT Governance controls - i) 11 Policies were in a draft format during the period under review		Other important matters	No	Yes	Internal control deficiency: Leadership - The relationship between the IT division and the other municipal departments was not strong which resulted in the decentralization with the procurement of all IT related software and hardware. There was a lack of appropriate IT skills to ensure adequate implementation of internal controls, furthermore there was a lack of drive from the IT division and leadership in ensuring prior year IT audit findings were resolved.	The policies are being processed for approval through Council structures. The IT Master strategic plan was adopted in May 2017 Council meeting. The IT Governance framework to be reviewed catering the gaps identified. The SLA's are expiring this current financial year and will be reviewed accordingly as per recommendation.	In progress - The policies are being processed for approval through Council structures. They were presented to Departmental Working Group session (twice) then to Councilor Workshop to be held on 12 -13 March 2018	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 15 ii)	Management Report finding	General IT Controls	Inadequate IT Governance controls - ii) Number of IT personnel was not adequate to support the size of the Municipality; it was noted that there were nineteen (19) vacant positions within the IT structure.		Other important matters	No	Yes	Internal control deficiency: Leadership - The relationship between the IT division and the other municipal departments was not strong which resulted in the decentralization with the procurement of all IT related software and hardware. There was a lack of appropriate IT skills to ensure adequate implementation of internal controls, furthermore there was a lack of drive from the IT division and leadership in ensuring prior year IT audit findings were resolved.	The policies are being processed for approval through Council structures. The IT Master strategic plan was adopted in May 2017 Council meeting. The IT Governance framework to be reviewed catering the gaps identified. The SLA's are expiring this current financial year and will be reviewed accordingly as per recommendation.	In progress - The motivation was submitted during the previous financial year (16/17) for filling of positions but was not approved due to financial constraints and the moratorium on filling of positions as imposed by the MM. The positions are not funded and there is a review of organogram of the whole institution underway.	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 15 iii)	Management Report finding	General IT Controls	Inadequate IT Governance controls - iii) No corrective actions or mitigating controls were put in place to address the findings from the 2015/2016 financial period.		Other important matters	No	Yes	Internal control deficiency: Leadership - The relationship between the IT division and the other municipal departments was not strong which resulted in the decentralization with the procurement of all IT related software and hardware. There was a lack of appropriate IT skills to ensure adequate implementation of internal controls, furthermore there was a lack of drive from the IT division and leadership in ensuring prior year IT audit findings were resolved.	The policies are being processed for approval through Council structures. The IT Master strategic plan was adopted in May 2017 Council meeting. The IT Governance framework to be reviewed catering the gaps identified. The SLA's are expiring this current financial year and will be reviewed accordingly as per recommendation.	In progress - Some of the findings require financial intervention and those were not funded. Others were due to delays in approvals by Councils and for management.	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 15 iv)	Management Report finding	General IT Controls	Inadequate IT Governance controls - iv) IT governance framework did not cover the main objectives of value delivery, performance management.		Other important matters	No	Yes	Internal control deficiency: Leadership - The relationship between the IT division and the other municipal departments was not strong which resulted in the decentralization with the procurement of all IT related software and hardware. There was a lack of appropriate IT skills to ensure adequate implementation of internal controls, furthermore there was a lack of drive from the IT division and leadership in ensuring prior year IT audit findings were resolved.	The policies are being processed for approval through Council structures. The IT Master strategic plan was adopted in May 2017 Council meeting. The IT Governance framework to be reviewed catering the gaps identified. The SLA's are expiring this current financial year and will be reviewed accordingly as per recommendation.	In progress - The review of the IT Governance Framework requires funding and it has not been provided	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 15 v)	Management Report finding	General IT Controls	Inadequate IT Governance controls - v) Terms of References (ToRs) for the following committees were included in the IT charter: Architecture committee; IT steering committee, Risk and audit committee and Operational committee. However, it was noted that the IT steering committee and Risk and audit committee were not functional during the period under review.		Other important matters	No	Yes	Internal control deficiency: Leadership - The relationship between the IT division and the other municipal departments was not strong which resulted in the decentralization with the procurement of all IT related software and hardware. There was a lack of appropriate IT skills to ensure adequate implementation of internal controls, furthermore there was a lack of drive from the IT division and leadership in ensuring prior year IT audit findings were resolved.	The policies are being processed for approval through Council structures. The IT Master strategic plan was adopted in May 2017 Council meeting. The IT Governance framework to be reviewed catering the gaps identified. The SLA's are expiring this current financial year and will be reviewed accordingly as per recommendation.	In progress - The meetings are scheduled on the ADM calendar but changes in the ADM calendar have impacted on the meetings taking place. This is due to the reshuffling of the meetings by other management meetings.	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 15 vi)	Management Report finding	General IT Controls	Inadequate IT Governance controls - vi) Service Level Agreements (SLAs) were found to omit certain key elements:		Other important matters	No	Yes	Internal control deficiency: Leadership - The relationship between the IT division and the other municipal departments was not strong which resulted in the decentralization with the procurement of all IT related software and hardware. There was a lack of appropriate IT skills to ensure adequate implementation of internal controls, furthermore there was a lack of drive from the IT division and leadership in ensuring prior year IT audit findings were resolved.	The policies are being processed for approval through Council structures. The IT Master strategic plan was adopted in May 2017 Council meeting. The IT Governance framework to be reviewed catering the gaps identified. The SLA's are expiring this current financial year and will be reviewed accordingly as per recommendation.	In progress - The SLA's that are expiring and have expired to be reviewed on renewal with the recommendations.	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 16 i)	Management Report finding	General IT Controls	Inadequate security management controls - i) The Senior manager (Information Systems) had designed security management controls, which had not been approved yet. These controls were drafted in the municipality's security policy.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - Day to day operations hindered the implementation of core internal controls. Oversight management was not adequately implemented in the IT security space to ensure adequate IT controls were in place.	The IT Security Policy is being processed for adoption through Council structures. The machines not updated are part of the machines not connected on the network and were connected during setup and configuration. The firewall policy to be developed and recommendations to be implemented. Limitation of resources to create a testing environment but a work around for a small test lab to be done.	In progress - The IT Security Policy is being processed for adoption through Council structures. The policy was presented to Departmental Working Group twice and now to be presented in the Councilor Policy Workshop scheduled from 12 - 13 March 2018, then to the May Council for adoption.	Director: Strategic Planning & Management	January 2018	30 March 2018
Management Report finding No: 16 ii)	Management Report finding	General IT Controls	Inadequate security management controls - ii) 998 computers utilised by the municipality 291 computers did not have the correct version (5.0.4) of the antivirus and 7 computers did not have an antivirus installed.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - Day to day operations hindered the implementation of core internal controls. Oversight management was not adequately implemented in the IT security space to ensure adequate IT controls were in place.	The IT Security Policy is being processed for adoption through Council structures. The machines not updated are part of the machines not connected on the network and were connected during setup and configuration. The firewall policy to be developed and recommendations to be implemented. Limitation of resources to create a testing environment but a work around for a small test lab to be done.	In progress - the machines are update automatically when they connect to the ADM network. Those not updating are from the remote offices/sites such as Fire Stations, Treatment Works, Pump Stations and/or Schemes. The 7 not installed are not ADM machines but form service providers working to support ADM on the SAP Implementation Projects	Director: Strategic Planning & Management	January 2018	30 March 2018
Management Report finding No: 16 iii)	Management Report finding	General IT Controls	Inadequate security management controls - iii) No test environment to ensure that patches are tested before being deployed to the computers and servers.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - Day to day operations hindered the implementation of core internal controls. Oversight management was not adequately implemented in the IT security space to ensure adequate IT controls were in place.	The IT Security Policy is being processed for adoption through Council structures. The machines not updated are part of the machines not connected on the network and were connected during setup and configuration. The firewall policy to be developed and recommendations to be implemented. Limitation of resources to create a testing environment but a work around for a small test lab to be done.	In progress - The small test environment to be setup by end of March though limited resources are a hindrance in achieving. Alternatively the IT machines allocated to staff will be used to test since there are no computers available to conduct the test as spares in a lab environment.	Director: Strategic Planning & Management	January 2018	30 March 2018
Management Report finding No: 16 iv)	Management Report finding	General IT Controls	Inadequate security management controls - iv) Password setting on Active directory was not correctly configured as maximum password age was configured to be 45 days against the best practice setting of 30 days.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - Day to day operations hindered the implementation of core internal controls. Oversight management was not adequately implemented in the IT security space to ensure adequate IT controls were in place.	The IT Security Policy is being processed for adoption through Council structures. The machines not updated are part of the machines not connected on the network and were connected during setup and configuration. The firewall policy to be developed and recommendations to be implemented. Limitation of resources to create a testing environment but a work around for a small test lab to be done.	In progress - The IT Security Policy is being processed for adoption through Council structures. The policy was presented to Departmental Working Group twice and now to be presented in the Councilor Policy Workshop scheduled from 12 - 13 March 2018, then to the May 2018 Council to be submitted for adoption. The update of the password setting to be implemented or effected only then once the policy has been approved.	Director: Strategic Planning & Management	January 2018	30 March 2018
Management Report finding No: 16 v)	Management Report finding	General IT Controls	Inadequate security management controls - v) 6 deficiencies were noted with regards to the Municipality's firewall		Other important matters	No	Yes	Internal control deficiency: Information technology systems - Day to day operations hindered the implementation of core internal controls. Oversight management was not adequately implemented in the IT security space to ensure adequate IT controls were in place.	The IT Security Policy is being processed for adoption through Council structures. The machines not updated are part of the machines not connected on the network and were connected during setup and configuration. The firewall policy to be developed and recommendations to be implemented. Limitation of resources to create a testing environment but a work around for a small test lab to be done.	In progress - The policy to be developed and logs to be reviewed as per recommendation	Director: Strategic Planning & Management	January 2018	30 March 2018
Management Report finding No: 17 i)	Management Report finding	General IT Controls	Inadequate user access management controls - i) Draft access control policy in place during the period under review.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - The decentralisation of system administrators was not managed by system owners and the IT division; the IT governing structures which were not in place to ensure internal controls are working efficiently and the system administrators and system owners were not aware of impact of the risks associated with either the weak or lack of user access management controls.	The list includes the previous Executives who were still active during the financial year under review and others are not computer users (not connected as they are from satellite/remote offices	In progress - Venus and PayDay systems have not yet been decommissioned but System Administrators are members of the IT Operational Committee to attend to the issues raised. The Active Directory system administrator activities are not monitored as there is a vacancy of System Administrator and functions performed by the Assistant Manager who is meant to monitor the System Administrator. Inturn the Infrastructure Manager position is vacant to whom the Assistant Manager reports to.	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 17 ii)	Management Report finding	General IT Controls	Inadequate user access management controls - ii) No formal process for monitoring administrator activities on Venus and Active directory.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - The decentralisation of system administrators was not managed by system owners and the IT division; the IT governing structures which were not in place to ensure internal controls are working efficiently and the system administrators and system owners were not aware of impact of the risks associated with either the weak or lack of user access management controls.	The list includes the previous Executives who were still active during the financial year under review and others are not computer users (not connected as they are from satellite/remote offices	In progress - Venus and PayDay systems have not yet been decommissioned but System Administrators are members of the IT Operational Committee to attend to the issues raised. The Active Directory system administrator activities are not monitored as there is a vacancy of System Administrator and functions performed by the Assistant Manager who is meant to monitor the System Administrator. Inturn the Infrastructure Manager position is vacant to whom the Assistant Manager reports to.	Director: Strategic Planning & Management	January 2018	30 June 2018

Reference/No	Audit Report paragraph / Internal Audit Report / Management Report finding	n	Findings	Legal Requirements	Type (Is the finding an Administrative matter or other matters affecting the organisation)	Compliance Finding (Yes/No)	Repeat Finding from PY (Yes/No)	Cause/Internal Control System Lapse (Audit Report & Management Report)	Action plan	Progress	Responsible person	Start Date	Completion Date
Management Report finding No: 17 iii)	Management Report finding	General IT Controls	Inadequate user access management controls - iii) No periodic user access reviews on Venus and Payday.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - The decentralisation of system administrators was not managed by system owners and the IT division; the IT governing structures which were not in place to ensure internal controls are working efficiently and the system administrators and system owners were not aware of impact of the risks associated with either the weak or lack of user access management controls.	The list includes the previous Executives who were still active during the financial year under review and others are not computer users (not connected as they are from satellite/remote offices	In progress - Venus and PayDay systems have not yet been decommissioned but System Administrators are members of the IT Operational Committee to attend to the issues raised.	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 17 iv)	Management Report finding	General IT Controls	Inadequate user access management controls - iv) Monitoring of logon violations was not performed on Venus, Payday and Active directory.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - The decentralisation of system administrators was not managed by system owners and the IT division; the IT governing structures which were not in place to ensure internal controls are working efficiently and the system administrators and system owners were not aware of impact of the risks associated with either the weak or lack of user access management controls.	The list includes the previous Executives who were still active during the financial year under review and others are not computer users (not connected as they are from satellite/remote offices	In progress - Venus and PayDay systems have not yet been decommissioned but System Administrators are members of the IT Operational Committee. The Active Directory logon violation are reviewed monthly.	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 17 v)	Management Report finding	General IT Controls	Inadequate user access management controls - v) The password reset control did not contain formal and documented approval processes to verify the authenticity of the password reset request on the Venus system.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - The decentralisation of system administrators was not managed by system owners and the IT division; the IT governing structures which were not in place to ensure internal controls are working efficiently and the system administrators and system owners were not aware of impact of the risks associated with either the weak or lack of user access management controls.	The list includes the previous Executives who were still active during the financial year under review and others are not computer users (not connected as they are from satellite/remote offices	In progress - Venus and PayDay systems have not yet been decommissioned but System Administrators are members of the IT Operational Committee.	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 17 vi)	Management Report finding	General IT Controls	Inadequate user access management controls - vi) Five (5) accounts identified on Venus with active access after the employees were terminated.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - The decentralisation of system administrators was not managed by system owners and the IT division; the IT governing structures which were not in place to ensure internal controls are working efficiently and the system administrators and system owners were not aware of impact of the risks associated with either the weak or lack of user access management controls.	The list includes the previous Executives who were still active during the financial year under review and others are not computer users (not connected as they are from satellite/remote offices	In progress - Venus and PayDay systems have not yet been decommissioned but System Administrators are members of the IT Operational Committee.	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 17 vii)	Management Report finding	General IT Controls	Inadequate user access management controls - vii) There were 113 identified on Active directory with active access after the employees were terminated.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - The decentralisation of system administrators was not managed by system owners and the IT division; the IT governing structures which were not in place to ensure internal controls are working efficiently and the system administrators and system owners were not aware of impact of the risks associated with either the weak or lack of user access management controls.	The list includes the previous Executives who were still active during the financial year under review and others are not computer users (not connected as they are from satellite/remote offices	In progress - The user accounts are monitored and disabled on a monthly basis. There is a slight challenge in that Payroll no longer submits a list of terminations to IT for implementation.	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 18 i)	Management Report finding	General IT Controls	Inadequate IT service continuity controls - i) BCP/DRP and backup policy were in a draft format.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - Due to the foreseen changes in the IT infrastructure environment; the review of the BCP/DRP and backup policy would be done after the SAP infrastructure has been fully installed.	The DRP-BCP to be reviewed and processed for adoption through Council structures.	In progress - No funding made available for the review of the DRP-BCP. The Backup Policy has been reviewed and is going through Council structures for adoption.	Director: Strategic Planning & Management	January 2018	30 March 2018
Management Report finding No: 18 ii)	Management Report finding	General IT Controls	Inadequate IT service continuity controls - ii) It was noted that from September 2016 until January 2017 the Municipality was unable to perform backups due to complications with backup software that was not working.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - Due to the foreseen changes in the IT infrastructure environment; the review of the BCP/DRP and backup policy would be done after the SAP infrastructure has been fully installed.	The DRP-BCP to be reviewed and processed for adoption through Council structures.	In progress - The software was fixed and upgraded to the latest version. The backups were performed but the time period indicated was not done to tapes only to the system.	Director: Strategic Planning & Management	January 2018	30 March 2018
Management Report finding No: 18 iii)	Management Report finding	General IT Controls	Inadequate IT service continuity controls - iii) Backups were not consistently tested for restorability during the period under review for both Venus and Payday.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - Due to the foreseen changes in the IT infrastructure environment; the review of the BCP/DRP and backup policy would be done after the SAP infrastructure has been fully installed.	The DRP-BCP to be reviewed and processed for adoption through Council structures.	In progress - Venus and PayDay systems have not yet been decommissioned but System Administrators are members of the IT Operational Committee.	Director: Strategic Planning & Management	January 2018	30 March 2018
Management Report finding No: 19 i)	Management Report finding	General IT Controls	Inadequate program change management controls - i) The program change management policy had not been approved; the document was in a draft format.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - Lack of oversight management as the IT governance structures were not functional.	The policy is in draft and will be processed for adoption through Council structures.	In progress - The Change Management Policy is being processed through council structure for adoption. The policy has been presented to Departmental Working Group and to the Councilor Policy Workshop from 12 - 13 March 2018 then to the May 2018 Council for adoption.	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 19 ii)	Management Report finding	General IT Controls	Inadequate program change management controls - ii) Program changes to the Venus application were not being monitored and approved by the system owner at the municipality prior being implemented.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - Lack of oversight management as the IT governance structures were not functional.	The policy is in draft and will be processed for adoption through Council structures.	In progress - Venus and PayDay systems have not yet been decommissioned but System Administrators are members of the IT Operational Committee.	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 19 iii)	Management Report finding	General IT Controls	Inadequate program change management controls - iii) The developers had access to the live environment of the Venus applications. Vendors access was not being revoked after they performed changes in the financial application which raised the risk of financial data being manipulated or compromised.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - Lack of oversight management as the IT governance structures were not functional.	The policy is in draft and will be processed for adoption through Council structures.	In progress - Venus systems have not yet been decommissioned but System Administrators are members of the IT Operational Committee.	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 19 iv)	Management Report finding	General IT Controls	Inadequate program change management controls - iv) ADM had no test environment to test changes implemented, which resulted in the system administrators of both financial application to test the changes on the live environment.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - Lack of oversight management as the IT governance structures were not functional.	The policy is in draft and will be processed for adoption through Council structures.	In progress - Venus systems have not yet been decommissioned but System Administrators are members of the IT Operational Committee.	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 20 i)	Management Report finding	General IT Controls	Inadequate facilities and environmental controls - i) There is no policy and procedures in place to govern the controls around physical and environmental access.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - IT Management was not aware of the risks associated with inadequate controls.	The landlord contract is being reviewed for renewal and recommendations will be catered for. The policy will be developed as a new policy then processed for adoption through Council structures.	In progress - The landlord contract is being reviewed for renewal and recommendations will be catered for. The challenge is with the landlord and consultation to be done extensive for feature implementation.	Director: Strategic Planning & Management	April 2018	June 2018
Management Report finding No: 20 ii)	Management Report finding	General IT Controls	Inadequate facilities and environmental controls - ii) Hydrogen tanks inside the server room were never been serviced ever since they were installed at the Municipality in December 2014.		Other important matters	No	Yes	Internal control deficiency: Information technology systems - IT Management was not aware of the risks associated with inadequate controls.	The landlord contract is being reviewed for renewal and recommendations will be catered for. The policy will be developed as a new policy then processed for adoption through Council structures.	In progress - Hydrogen tanks have been installed	Director: Strategic Planning & Management	April 2018	June 2018
Management Report finding No: 21 i)	Management Report finding	General IT Controls	User Access management policy or procedure documents inadequately designed to ensure proper controls surrounding user access management within the SAP environment - i) The municipality had established the following policies/procedures which manages the user access management to municipal systems: • Password Policy adopted March 2015 • Authorisations Blueprint signed 2016 • IT Security Policy May 2017 – Draft • Access management policy 2017 – Draft		Other important matters	No	No	Internal control deficiency - Management recently implemented the SAP application and are in process to give attention to user and technical problems that arose with the implementation. The current policy and procedure documents does not provide detailed guidance on the process to be followed for total user access management from hire to fire with specific emphasis on the detail controls in the SAP/IGRC application including password settings	SAP Access Management policy and procedures will be developed to include items raised in this finding. The relevant settings in SAP will be matched to the recommended settings.	In progress - A service provider has been appointed in March 2018 for ADMAc business process gap analysis. This also involves review of existing IT policies so as to develop SAP policies.	Director: Strategic Planning & Management	April 2018	June 2018
Management Report finding No: 21 ii)	Management Report finding	General IT Controls	User Access management policy or procedure documents inadequately designed to ensure proper controls surrounding user access management within the SAP environment - ii) These policies/procedures did not include the following SAP specific detail procedures/controls relating to the administration of users and access to SAP		Other important matters	No	No	Internal control deficiency - Management recently implemented the SAP application and are in process to give attention to user and technical problems that arose with the implementation. The current policy and procedure documents does not provide detailed guidance on the process to be followed for total user access management from hire to fire with specific emphasis on the detail controls in the SAP/IGRC application including password settings	SAP Access Management policy and procedures will be developed to include items raised in this finding. The relevant settings in SAP will be matched to the recommended settings.	In progress - A service provider has been appointed in March 2018 for ADMAc business process gap analysis. This also involves review of existing IT policies so as to develop SAP policies.	Director: Strategic Planning & Management	April 2018	June 2018
Management Report finding No: 21 iii)	Management Report finding	General IT Controls	User Access management policy or procedure documents inadequately designed to ensure proper controls surrounding user access management within the SAP environment - iii) Three control weaknesses relating to user access management were observed.		Other important matters	No	No	Internal control deficiency - Management recently implemented the SAP application and are in process to give attention to user and technical problems that arose with the implementation. The current policy and procedure documents does not provide detailed guidance on the process to be followed for total user access management from hire to fire with specific emphasis on the detail controls in the SAP/IGRC application including password settings	SAP Access Management policy and procedures will be developed to include items raised in this finding. The relevant settings in SAP will be matched to the recommended settings.	In progress - A service provider has been appointed in March 2018 for ADMAc business process gap analysis. This also involves review of existing IT policies so as to develop SAP policies.	Director: Strategic Planning & Management	April 2018	June 2018
Management Report finding No: 21 iv)	Management Report finding	General IT Controls	User Access management policy or procedure documents inadequately designed to ensure proper controls surrounding user access management within the SAP environment - iv) Two terminated employees still have active accounts on SAP.		Other important matters	No	No	Internal control deficiency - Management recently implemented the SAP application and are in process to give attention to user and technical problems that arose with the implementation. The current policy and procedure documents does not provide detailed guidance on the process to be followed for total user access management from hire to fire with specific emphasis on the detail controls in the SAP/IGRC application including password settings	SAP Access Management policy and procedures will be developed to include items raised in this finding. The relevant settings in SAP will be matched to the recommended settings.	In progress - A service provider has been appointed in March 2018 for ADMAc business process gap analysis. This also involves review of existing IT policies so as to develop SAP policies.	Director: Strategic Planning & Management	April 2018	June 2018

Reference/No	Audit Report paragraph / Internal Audit Report / Management Report finding	n	Findings	Legal Requirements	Type (Is the finding an Administrative matter or other matters affecting the organisation)	Compliance Finding (Yes/No)	Repeat Finding from PY (Yes/No)	Cause/Internal Control System Lapse (Audit Report & Management Report)	Action plan	Progress	Responsible person	Start Date	Completion Date
Management Report finding No: 22	Management Report finding	General IT Controls	SAP Authorisations functionality not properly allocated and segregated - Identified users, not part of the authorisations team, have inadequate access to SAP Authorisations transaction codes that will allow them to maintain user access.		Other important matters	No	No	Internal control deficiency - The current policy and procedures does not provide detailed guidance on segregation of duties amongst SAP Basis, SAP Authorisations and SAP Developers Teams.	Policy documents will be reviewed and updated to include the items raised in this finding. The relevant settings in SAP will be matched to the revised policy. The SOD conflicts addressed herein will be removed immediately.	In progress - A service provider has been appointed in March 2018 for ADMaC business process gap analysis. This also involves review of existing IT policies so as to develop SAP policies.	Director: Strategic Planning & Management	April 2018	June 2018
Management Report finding No: 23 i)	Management Report finding	General IT Controls	Security policies inadequately designed to ensure proper security surrounding the SAP application - i) The municipality had established the following policies/procedures which manages the security within the municipal systems: • Authorisations Blueprint signed 2016 • IT Security Policy May 2017 – Draft		Other important matters	No	No	Internal control deficiency - The SAP implementation is new, management have focused on project implementation challenges and the SAP policies and procedures have not been given attention at this stage	Policy documents will be reviewed to include the items raised in this finding. The SOD conflicts addressed herein will be removed immediately. SAP specific detail procedures/controls relating to the administration of security/settings surrounding these components of the SAP application will be corrected immediately	In progress - A service provider has been appointed in March 2018 for ADMaC business process gap analysis. This also involves review of existing IT policies so as to develop SAP policies.	Director: Strategic Planning & Management	April 2018	June 2018
Management Report finding No: 23 ii)	Management Report finding	General IT Controls	Security policies inadequately designed to ensure proper security surrounding the SAP application - ii) 2 (Two) Policies/procedures do not include the following SAP specific detail procedures/controls relating to the administration of security/settings surrounding 8 components of the SAP application.		Other important matters	No	No	Internal control deficiency - The SAP implementation is new, management have focused on project implementation challenges and the SAP policies and procedures have not been given attention at this stage	Policy documents will be reviewed to include the items raised in this finding. The SOD conflicts addressed herein will be removed immediately. SAP specific detail procedures/controls relating to the administration of security/settings surrounding these components of the SAP application will be corrected immediately	In progress - A service provider has been appointed in March 2018 for ADMaC business process gap analysis. This also involves review of existing IT policies so as to develop SAP policies.	Director: Strategic Planning & Management	April 2018	June 2018
Management Report finding No: 23 iii)	Management Report finding	General IT Controls	Security policies inadequately designed to ensure proper security surrounding the SAP application - iii) The following control weaknesses relating to user access management were observed: • No sensitive transactions locked in the production client to prevent the users to use them e.g. SCCS which allow you to delete the production client. • It was noted that the following parameters, highlighted in red, have not been configured to leading practices. In addition, the different values specified in each policy document were also indicated in red and or the omission from the policy documents.		Other important matters	No	No	Internal control deficiency - The SAP implementation is new, management have focused on project implementation challenges and the SAP policies and procedures have not been given attention at this stage	Policy documents will be reviewed to include the items raised in this finding. The SOD conflicts addressed herein will be removed immediately. SAP specific detail procedures/controls relating to the administration of security/settings surrounding these components of the SAP application will be corrected immediately	In progress - A service provider has been appointed in March 2018 for ADMaC business process gap analysis. This also involves review of existing IT policies so as to develop SAP policies.	Director: Strategic Planning & Management	April 2018	June 2018
Management Report finding No: 24	Management Report finding	General IT Controls	Non SAP Basis users have access to SAP Basis functionality		Other important matters	No	No	Internal control deficiency - The ICT Security Policy does not provide guidance on the classification of sensitive transaction codes that should not be accessed by unauthorised users.	The Table shown above gives the management comment for each specific SAP User ID identified in this finding. Most will be deleted and others either kept and/or revised according to finding. ICT Security policy will be updated to include the items raised in this finding. The SOD conflicts addressed herein will be removed immediately. SAP specific detail procedures/controls relating to the administration of security/settings surrounding these components of the SAP application will be corrected immediately.	In progress - A service provider has been appointed in March 2018 for ADMaC business process gap analysis. This also involves review of existing IT policies so as to develop SAP policies.	Director: Strategic Planning & Management	April 2018	June 2018
Management Report finding No: 25	Management Report finding	General IT Controls	SAP Fire Fighter access not adequately configured		Other important matters	No	No	Internal control deficiency - Financial and performance management: Information technology systems • The lack of process of separating of Fire Fighter IDs based on the function and business unit specific roles in order for a more controlled and secure emergency access management process. • The lack of a process of reviewing and monitoring of the access landscape across the various business units which comprises of an evaluation of roles, transaction codes, objects.	FF ID's will be reviewed and cleaned as part of GRC violations clean-up. Conflicting transactions identified within the basis and Cross Module FF ID will be removed immediately. No need for separate FF ID for Authorizations as they work on the system on daily basis to perform user maintenance tasks. SAP Access Management policy will be developed to include approval process for the use of Fire Fighter ID.	In progress - A service provider has been appointed in March 2018 for ADMaC business process gap analysis. This also involves review of existing IT policies so as to develop SAP policies.	Director: Strategic Planning & Management	April 2018	June 2018
Management Report finding No: 26	Management Report finding	General IT Controls	SAP Program Change Management: Non-compliance to the approved Change Management Policy approved March 2015		Other important matters	No	No	Internal control deficiency - Management did not comply with the Change Control Policy.	1. ChaRM(Change Request Management) will be used for the change management process. The new changes will be reviewed/approved by ADM, UAT and Training still has to be done. 2. A 2 step approval procedure will be followed for the approval of any changes in the SAP systems. 1st Approver – Change Manager, 2nd Approver IT Manager 3. Before a change is imported into the production system, the IT Manager will be responsible for setting the status to Authorized for Production 4. After development of a change, testing will be done in a 2nd client in the development system. When the testing is complete in the DEV environment the change will be moved to the QA system for final testing. 5. There are fields available in ChaRM to select the Impact and Urgency levels. These can be selected when a Request for Change is created. 6. SAP Change Management Policy will be developed to include the above.	In progress - A service provider has been appointed in March 2018 for ADMaC business process gap analysis. This also involves review of existing IT policies so as to develop SAP policies.	Director: Strategic Planning & Management	April 2018	June 2018
Management Report finding No: 27	Management Report finding	General IT Controls	Inadequate access granted to development related transaction codes in production and developer access not restricted to development.		Other important matters	No	No	Internal control deficiency - The Change Control Policy does not provide guidance on classification of transaction codes.	In the table above, a corrective action is given for each SAP User ID. These corrective actions will be taken immediately. See content of 'Management feedback/Corrective action' column in table above	In progress - A service provider has been appointed in March 2018 for ADMaC business process gap analysis. This also involves review of existing IT policies so as to develop SAP policies.	Director: Strategic Planning & Management	April 2018	June 2018
Management Report finding No: 28	Management Report finding	Consequence management	No structure or committee in place to investigate financial misconduct	In terms of MUNICIPAL REGULATIONS ON FINANCIAL MISCONDUCT PROCEDURES AND CRIMINAL PROCEEDINGS, paragraph 4: (1) A municipal council or board of directors of a municipal entity must establish a disciplinary board to investigate allegations of financial misconduct in the municipality or municipal entity, and to monitor the institution of disciplinary proceedings against an alleged transgressor. (2) A disciplinary board is an independent advisory body that assists the council or the board of directors with the investigation of allegations of financial misconduct, and provide recommendations on further steps to be taken regarding disciplinary proceedings, or any other relevant steps to be taken. (3) A disciplinary board must consist of maximum five members appointed on a part-time basis by the council or board of directors for a period not exceeding three years, in accordance with a process as determined by the municipal council or board of directors.	Other important matters	No	No	This is caused by the lengthy processes followed to approve the structure or committee as the appointment has to go through council.	Even before the Regulations were promulgated in 2014, the ADM had in place a structure for the investigation of incidences of financial misconduct and to make recommendations to Council in regard thereto. The ADM's Municipal Public Accounts Committee (MPAC) was appointed by Council in 2012. Besides its oversight role, MPAC also constitutes the sub-committee of Council as envisaged in section 32(2)(a) and (b) of the MFMA to investigate and advise Council in respect of incidences of unauthorized, irregular and fruitless and wasteful expenditure, the occurrence of which falls under the definition of financial misconduct. In addition, by way of a resolution of Council, MPAC may investigate any other matter that Council may refer to it for investigation, which includes incidences of alleged financial misconduct. For this reason, management does not agree with this finding and recommendation	In progress - A draft Financial Misconduct Policy has been developed outlining the internal processes to follow in dealing with instances of financial misconduct, including the establishment of a disciplinary board. The draft policy is under consideration by executive management.	Municipal Manager	February 2018	31 December 2018
Management Report finding No: 29	Management Report finding	HR Compliance	CFO post was not advertised within 14 days of municipal council approval	In terms Regulations on appointment and conditions of employment of SMs reg (10) the municipal manager must upon receipt of approval referred in regulation 10, ensure that the post is advertised within 14 days after the receipt of approval.			No	Internal control deficiency - Financial and performance management: Review and monitor compliance with applicable legislation	This was an isolated case. The delay for advertising the CFO vacancy was that after Council had taken the decision to terminate him and advertise his post, we had to write to him and advise him of such a decision and wait to see if he intended to challenge his termination or would also to opt for a second opinion from a Specialist who would determine if he is really unfit to work anymore. The institution of Municipal Manager felt that 2-3 months is the reasonable time for CFO to respond if he intended to challenge his termination that is why the post was advertised on the 09th of September on local Media and on the 11th of September on national Media. Council will comply with the Regulations on Appointment and Conditions of Employment of Senior Managers	Implemented	Director: Corporate Services		
Management Report finding No: 30	Management Report finding	HR Compliance	Non-compliance with the conditions of the exemption notice on minimum competencies	Section 83 (1) and (2) of the MFMA requires that the accounting officer, senior manager, the chief financial officer and other financial officials of a municipality must meet the prescribed financial management competency levels and a municipality must for the purposes of subsection (1) provide resources or opportunities for the training of officials referred to in that subsection to meet the prescribed competency levels.			No	Internal control deficiency - Financial and performance management: Review and monitor compliance with applicable legislation.	Subsequent to the finding it transpired that the CFO had already done Project Management and proof thereof was submitted on the 3rd November 2017. Regarding Manager: SCM and Manager: Expenditure - Procurement processes for the appointment of training provider to conduct Minimum Competency Level Training is underway and the candidates will have completed the outstanding unit standards by end June 2018.	Implemented - For the CFO - Already Implemented For other Officials - Item has gone through Bid Specification Committee, and approval to advertise signed by CFO and MM. Next stage is advertising, bid evaluation & bid adjudication.	Director: Corporate Services	February 2018	30 June 2018
Audit Report paragraph 35 : Management Report finding No: 31	Audit Report paragraph	Fruitful & Wasteful Expenditure	Audit Report paragraph 35 - Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R2,2 million, as disclosed in note 49 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful was caused by interest and penalties on late payments. Expenditure: Non-submission of requested information	Section 62(1)(c) (i) and (ii) of the Municipal Finance Management Act 56 of 2003 (MFMA) states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control and of internal audit operating in accordance with any prescribed norms and standards			No	The cause of this finding is due to poor planning and controls placed by management to facilitate the RFI submissions and processes.	1. Reconcile supporting evidence with register of Irregular & Fruitless expenditure for a period ended 30 June 2017 2. Every update of irregular and fruitless expenditure recorded in the current year is backed with supporting document	Implemented. All information was submitted to AG relating to irregular expenditure	CFO	Complete	Complete

Reference/No	Audit Report paragraph / Internal Audit Report / Management Report finding	n	Findings	Legal Requirements	Type (Is the finding an Administrative matter or other matters affecting the organisation)	Compliance Finding (Yes/No)	Repeat Finding from PY (Yes/No)	Cause/Internal Control System Lapse (Audit Report & Management Report)	Action plan	Progress	Responsible person	Start Date	Completion Date
Audit Report paragraph 35	Audit Report paragraph	Fruitful & Wasteful Expenditure	Audit Report paragraph 35 - Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R2.2 million, as disclosed in note 49 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful was caused by interest and penalties on late payments.		Other important matters	No	No	1 Analyse fruitless and wasteful expenditure incurred prior June 2017 and pull a report that properly supports the figures 2. Submit to Council for the purpose of noting and further investigation towards write off 3. New fruitless and wasteful expenditure to be reported in Sec 71 and Sec 52(d) reports 4. MPAC to investigate based upon the recommendations		In progress	CFO	March 2018	June 2018
Management Report finding No: 32	Management Report finding	Value Add	The project was not completed within the agreed time		Other important matters	No	No	The ADM did not have enough funds for the project. All MIG projects were on hold due to financial constraint within the municipality. During the 2016-17 financial year the project was allocated R20.8million which was half of what was needed by the contractor to finish the outstanding works. This led to the contractor to request for the termination of the contract.	Ensure funding allocation per project per financial year	In progress -The project was allocated R26m for 2017/18 FY and a Contractor was appointed to complete the project. The MIG mid-term adjustment will be forwarded as evidence.	Director: Engineering Services	Feb. 2018	30 June 2018
Management Report finding No: 33	Management Report finding	Value Add	Inconsistency between payment certificates and expenditure report		Other important matters	No	No	Inadequate monitoring and reporting of payment certificates made to the contractor by the ADM.	Project manager and PMU to reconcile invoices and payment certificates to ensure payments are not duplicated	Implemented -This might have been a once of occurrence. The process is, Payments sent to STO, are sent back again to the department to confirm payment made. Therefore, if there is any misalignment I will be aligned.	Director: Engineering Services	Feb. 2018	30 March 2018
Management Report finding No: 34	Management Report finding	Value Add	Poor record keeping and inadequate project management of minutes		Other important matters	No	No	Detailed minutes of site meetings were not compiled by the principal agent. Furthermore, management did not adequately ensure that proper and timely record keeping was maintained to ensure that complete, relevant and accurate information is accessible and available to enable proper monitoring on the progress on projects and/or support financial and performance reporting.	To ensure that all detail progress discussed in the site meetings are capture in the minutes and those minutes are filed accordingly.	Implemented -This refer to Ntsoa & Cabe VVS contract which was terminated. A new Contractor has recently been appointed which will take site early February 2018. Site minutes attached.	Director: Engineering Services	January 2018	01 June 2018
Management Report finding No: 35	Management Report finding	Value Add	Quality of infrastructure delivered		Other important matters	No	No	Bad housekeeping of the material that was left unutilized due to the suspension of the project and incomplete infrastructure being exposed to vandalism by the community	New Contractor to be appointed to take over the site.	Implemented -This still refer to Ntsoa & Cabe project and a new contractor was appointed in early January 2018 to complete the works. The matter will no longer be an issue.	Director: Engineering Services	January 2018	May 2018
Management Report finding No: 36	Management Report finding	Value Add	Quality of infrastructure delivered (bika Centani Water Supply Phase 3 Contract)		Other important matters	No	No	The flooding is due to leakage and lack of drainage in the chamber that could possibly be attributed to poor workmanship.	The drainage issue will be catered for in an effective manner. Maintenance plan to be developed and implemented.	Implemented -Upon investigations made the chamber never leaked. Its just that, it rained previously and water positioned its self at the chamber for a while. Before it being drained away.	Director: Engineering Services	July 2018	May 2018
Management Report finding No: 37	Management Report finding	Value Add	Project Planning (bika Centani Water Supply Phase 3 Contract)		Other important matters	No	No	The municipality did not plan risk management system.	Prepare a general project standard risk which will be used to evaluate each project on implementation	Ongoing -At the monthly project meetings risk issues will be recorded in a separate risk register for record purposes. Gcwu West Phase 2 Contract 3 & 4 Risk Register has been attached.	Director: Engineering Services	February 2018	01 June 2018
Management Report finding No: 38	Management Report finding	Value Add	There was no evidence that the project designs were approved by the ADM (Ngqamakhwe Regional Water Supply Scheme – Phase 3: Contract 1)	In paragraph 6.4.4 of the Standard for Infrastructure Delivery Management System (SIDMS) it is stated that "the design of infrastructure shall be developed in such a manner that the client accepts a design development report prior to the commencement of construction, fabrication or manufacturing activities. Proof of the client's acceptance of the design development report shall be kept for record and auditing purposes". There was no evidence that the ADM approved the completed project designs.	Other important matters	Yes	No	The ADM project manager indicated that they do approve the designs themselves. However no documentation to support this statement could be furnished	Minutes are kept for new designs, attendance register and signed copy of design drawings.	Implemented -The Engineering Department will ensure that in future all design plans are approved by the Department. (See attached Design Approval Minutes for Rabula Extension WS)	Director: Engineering Services	February 2018	01 June 2018
Management Report finding No: 39	Management Report finding	Value Add	The municipality did not develop a risk register for the project (Ngqamakhwe Regional Water Supply Scheme – Phase 3: Contract 1)	It is best practice for the implementing agent to appoint a Project Manager to plan and implement projects. The audit team could not obtain the risk register indicating that the systematic identification, analysis and response to project risk was planned for.	Other important matters	Yes	No	Internal control deficiency - The principle of developing and monitoring the implementation of action plans to address risks.	At the project meeting risk issues will be indicated in writing for record purposes.	Ongoing -At the monthly project meetings risk issues will be recorded in a separate risk register for record purposes.	Director: Engineering Services	February 2018	01 June 2018
Management Report finding No: 40	Management Report finding	Value Add	Quality issues were identified (Ngqamakhwe Regional Water Supply Scheme – Phase 3: Contract 1)		Other important matters	No	No	The root causes are as follows: • The valve fittings may have been faulty and needed to be repaired. • Possible illegal connections. • Underground water intrusion	Value will be repaired and the maintenance plan will be developed and implemented.	Implemented -This is the same issue as the chamber above, after the rains which occurred at the time. Water positioned its self at the valves for a while. Before it being drained away.	Director: Engineering Services	July 2018	May 2018
Management Report finding No: 41(a)	Management Report finding	Financial management	Property, plant and equipment: Although the fixed asset register is updated regularly, it was not reconciled to the general ledger on a regular basis and journals for depreciation were not processed in the general ledger during the first 6 months of the financial year.	Section 62 of the MFMA states: "General financial management functions. — (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—that the municipality has and maintains effective, efficient and transparent systems—of financial and risk management and internal control."	Other important matters	Yes	Yes	The cause is migration from the old financial system to the new financial system, challenges with capturing of invoices and lack of adequate review of interim financial statements by relevant management.	1 Develop checklist that will clearly define the reconciliation mechanism between contracts register, updated to commitments register and Work in progress vs Projects on completion 2. Review of all assets in the GIS and reconcile them into a fixed asset register and report on progress monthly 3 Update the three registers on weekly basis 4. Capitalise assets on a Monthly basis 5. Monthly engagements between Engineering, asset division and contracts to ensure completeness of the exercise 6 Independent Review of the exercise to ensure completeness and accuracy	In progress - Manual journal to recognise provisional depreciation for all categories of assets for 8 months July to February 2018 prepared, still to be processed into ADMaC	CFO	February 2018	30 June 2018
Management Report finding No: 41(b)	Management Report finding	Financial management	Expenditure and trade and other payables: There is a backlog in terms of processing of invoices due to challenges and the level of detail required by mSCOA as evidenced by the huge variance between current year actual amounts versus budgeted amounts and prior year actual amounts i.e. bulk purchases and general expenditure figures per 31 December 2016 financial statements.	Section 62 of the MFMA states: "General financial management functions. — (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—that the municipality has and maintains effective, efficient and transparent systems—of financial and risk management and internal control."	Other important matters	Yes	Yes	The cause is migration from the old financial system to the new financial system, challenges with capturing of invoices and lack of adequate review of interim financial statements by relevant management.	This finding related to the quarterly financial statements that were prepared after the Go-Live of Expenditure on ADMaC. 1. Purchase orders must be generated for all expenditure as a norm. 2 Sundry payments to be made as an exception. 3 Invoices relating to sundry payments must be recognised as creditors before payment. 4. To develop a procedure manual on the generation of purchase orders	In progress - 1) Purchase orders are being generated for classes of transactions 2) Sundry invoices are being captured as creditors	CFO	January 2018	30 June 2018
Management Report finding No: 41(c)	Management Report finding	Financial management	Unspent conditional grants: The spending on conditional grants was not monitored effectively due to the backlog in terms of processing of invoices as indicated above.	Section 62 of the MFMA states: "General financial management functions. — (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—that the municipality has and maintains effective, efficient and transparent systems—of financial and risk management and internal control."	Other important matters	Yes	Yes	The cause is migration from the old financial system to the new financial system, challenges with capturing of invoices and lack of adequate review of interim financial statements by relevant management.	This finding related to the quarterly financial statements that were prepared after the Go-Live of Expenditure on ADMaC. Conditional grant expenditure will be reconciled monthly and relating conditional grant income will also be recognised monthly.	In progress -The conditional grant expenditure was reconciled up to December 2017. Journals to recognise the grant income for this period have been recognised during the month of January 2018	CFO	January 2018	30 June 2018
Management Report finding No: 41(d)	Management Report finding	Financial management	VAT Receivable: There was no evidence that the VAT reconciliation and VAT return for January 2017 were reviewed by a senior official.	Section 62 of the MFMA states: "General financial management functions. — (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—that the municipality has and maintains effective, efficient and transparent systems—of financial and risk management and internal control."	Other important matters	Yes	Yes	The cause is migration from the old financial system to the new financial system, challenges with capturing of invoices and lack of adequate review of interim financial statements by relevant management.	All VAT reconciliations to be reviewed by a senior official	In progress - All VAT reconciliations 18 September have been reviewed by the Senior Manager. Mayord have taken over the preparation of VAT returns and reconciliations. These reconciliations have not been provided yet to ADM.	CFO	July 2017	30 June 2018
Management Report finding No: 41(e)	Management Report finding	Financial management	Commitments: The commitment register was not updated regularly during the first 6 months of the financial year and figure disclosed in the quarterly financials for 31 December 2016 is that same as the figure reported at the end of the previous financial year.	Section 62 of the MFMA states: "General financial management functions. — (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—that the municipality has and maintains effective, efficient and transparent systems—of financial and risk management and internal control."	Other important matters	Yes	Yes	The cause is migration from the old financial system to the new financial system, challenges with capturing of invoices and lack of adequate review of interim financial statements by relevant management.	The Commitments Register will be updated and reviewed on a weekly basis.	In progress - The second quarter financial statements have disclosed commitments from the latest commitment register as at 31 December 2017	CFO	January 2018	30 June 2018
Management Report finding No: 41(f)	Management Report finding	Financial management	Related parties: The amount transferred to Aspire was not disclosed in the related party note in the financial statements for the quarter ending 31 December 2016.	Section 62 of the MFMA states: "General financial management functions. — (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—that the municipality has and maintains effective, efficient and transparent systems—of financial and risk management and internal control."	Other important matters	Yes	Yes	The cause is migration from the old financial system to the new financial system, challenges with capturing of invoices and lack of adequate review of interim financial statements by relevant management.	Proper disclosure of related parties to be done Quality review to be enforced with clear audit trail.	In progress -The second quarter financial statements have disclosed the related party transactions as at 31 December 2018	CFO	January 2018	30 June 2018
Management Report finding No: 41(g)	Management Report finding	Financial management	The figures disclosed in the face of the statement of financial position for cash and cash equivalents, receivables from exchange transactions, receivables from non-exchange transactions, unspent conditional grants and payables from exchange transactions do not agree to figures per respective notes.	Section 62 of the MFMA states: "General financial management functions. — (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—that the municipality has and maintains effective, efficient and transparent systems—of financial and risk management and internal control."	Other important matters	Yes	Yes	The cause is migration from the old financial system to the new financial system, challenges with capturing of invoices and lack of adequate review of interim financial statements by relevant management.	A quality review will be in three phases: Management, Independent reviewer and Internal Audit working together with Audit Committee to ensure figures agree	In progress - The second quarter financial statements as at 31 December 2017 have been drafted, differences have been identified cash and cash equivalents receivables from exchange transactions receivables from non-exchange transactions unspent conditional grants	CFO	January 2018	30 June 2018
Management Report finding No: 42(a)	Management Report finding	Internal Controls	Policies and procedures not reviewed and updated regularly	Section 62 of the MFMA states: "General financial management functions. — (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—that the municipality has and maintains effective, efficient and transparent systems—of financial and risk management and internal control."	Other important matters	Yes	Yes	Management did not provide the cause of not reviewing policies regularly.	Actions to be obtained from Management	In progress	Director: Strategic Planning & Management		

Reference/No	Audit Report paragraph / Internal Audit Report / Management Report finding	n	Findings	Legal Requirements	Type (Is the finding an Administrative matter or other matters affecting the organisation)	Compliance Finding (Yes/No)	Repeat Finding from PY (Yes/No)	Cause/Internal Control System Lapse (Audit Report & Management Report)	Action plan	Progress	Responsible person	Start Date	Completion Date
Management Report finding No: 42 (a)	Management Report finding	Internal Controls	Policies and procedures not reviewed and updated regularly	Section 62 of the MFMA states: "General financial management functions. — (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—that the municipality has and maintains effective, efficient and transparent systems—of financial and risk management and internal control."	Other important matters	Yes	Yes	Management did not provide the cause of not reviewing policies regularly.	Actions to be obtained from Management	In progress - 1. Present Maintenance Policy to March 2018 Policy Workshop; 2. Policy to be approved, May 2018 Council meeting; 3. Complete Maintenance Plan by June 2018. 4. Implement Maintenance Plan 18/19 fy	Director: Engineering Services		
Management Report finding No: 42b	Management Report finding	Internal Controls	Policies and procedures not reviewed and updated regularly	Section 62 of the MFMA states: "General financial management functions. — (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—that the municipality has and maintains effective, efficient and transparent systems—of financial and risk management and internal control."	Other important matters	Yes	Yes	Management did not provide the cause of not reviewing policies regularly.	No action required	in progress - All policies to be reviewed were tabled and presented at the institutional strategic session held on the 4th to the 09th of February 2018. Further to that normal council processes will take place until they are reviewed.	Director: Corporate Services	No action required	No action required
Management Report finding No: 43	Management Report finding	Back to basics	No approved policy, plan and budget in place for proactive routine maintenance	Section 40 of the Municipal Systems Act states a municipality must establish mechanisms to monitor and review its performance management system.	Other important matters	Yes	No	The cause of the above finding is that there are no specific/stingent time-frames set for the different approval stages of the municipality for policy approvals, which then filters to there being no routine maintenance plan and routine maintenance budget in place as there are no standard procedures.	ADM has a draft maintenance Policy in place and a maintenance strategy as well, they will then be utilised to obtain a maintenance plan. In the meantime, the Engineering Department Continues to roll out and implement routine maintenance programs. Furthermore, a yard water connection policy will be presented at the council work shop on the 12 March 2018. In the next council work shop the maintenance policy will then be presented.	In progress - The yard connection policies was tabled and presented at the Council workshop held on the 12 th to the 13th of March 2018. Further to that normal council processes will take place until the policy is approve at Council.	Director: Engineering Services	March 2018	June 2018
Management Report finding No: 44	Management Report finding	Consolidated AFS	Differences identified on consolidation of AFS	In terms of Section 62(1)(c) of the Municipal Finance Management Act No.56 of 2003 the accounting officer is of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains the effective, efficient and transparent systems.	Other important matters	Yes	Yes	The cause of this finding is due to differences for cash flow statement as a result of eliminating journals not taken into account and lack of adequate reviews of the consolidated AFS.	Consolidated cash flow calculations to be provided to ensure that all eliminating entries correctly taken into consideration	In progress - The unaudited amount as per finding would be adjusted on preparation of the consolidated financial Statements in September 2018 as it preparation basis is the separate financial statement for ADM and ASPRE at year end June	CFO	01 September 2018	30 September 2018
Management Report finding No: 45	Management Report finding	Distribution losses	Invalid indigent customers identified through CAATs	Section 62(1)(c) (i) and (ii) of the Municipal Finance Management Act 56 of 2003 (MFMA) states that the accounting officer of a municipality is responsible for financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control and of internal audit operating in accordance with any prescribed norms and standards	Other important matters	Yes	No	The cause of this finding is due to the municipality not having systems in place to prove the authenticity of the information submitted by applicants.	Utilise data from the appointed debt collector on deceased estates to verify against current registered indigent consumers. Use alternative means to verify status of indigent such as CrossCheck,SASSA and SARS	In progress - Data received from the appointed debt collector has been used to update the consumer database. DPSA website has been visited to identify those under the employ of the State, the 31 selected in the sample by the AG has been verified. The remaining indigent register is being verified using the DPSA site	CFO	January 2018	30 June 2018
Management Report finding No: 46	Management Report finding	Prior period error	Differences between the amounts disclosed and the audited amounts	Section 62(1) (b) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), states that:" the accounting officer of the municipality is responsible for financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards."	Other important matters	Yes	No	This is due to inadequate controls over the preparation and review of annual financial statements.	Asset prior period errors to be provided for disclosure in the annual financial statements	In progress - A prior period journal has been prepared and reviewed for approx. R17 million. SBM to be processed in ADM&C	CFO	February 2018	30 June 2018
Management Report finding No: 47	Management Report finding	Prior period error	Differences between the amount disclosed and the supporting journal	Section 62(1) (b) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), states that:" the accounting officer of the municipality is responsible for financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards."	Other important matters	Yes	No	The finding is due to inadequate reviews of the amounts disclosed in the financial statements against underlying supporting evidence.	Asset prior period errors to be provided for disclosure in the annual financial statements	In progress	CFO	March 2018	30 June 2018
Management Report finding No: 48 (c)	Management Report finding	Financial statements	Expenditure - Reconciliation between the AFS & TB	Section 62(1) (b) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), states that:" the accounting officer of the municipality is responsible for financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards."			Yes	The finding is due to inadequate reviews of the amounts disclosed in the financial statements against underlying supporting schedules as well as reallocation/reclassification of amounts in the financial statements without passing reallocation/reclassification journals in the general ledger and trial balance.	Finding is resolved	implemented	CFO		
Management Report finding No: 48 (d)	Management Report finding	Financial statements	Differences between the AFS, TB/GL and supporting schedules - Employee costs - Reconciliation between the AFS & TB	Section 62(1) (b) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), states that:" the accounting officer of the municipality is responsible for financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards."			Yes	The finding is due to inadequate reviews of the amounts disclosed in the financial statements against underlying supporting schedules as well as reallocation/reclassification of amounts in the financial statements without passing reallocation/reclassification journals in the general ledger and trial balance	Finding is resolved	implemented	CFO / Director: Corporate Services		
Management Report finding No: 48 (e)	Management Report finding	Financial statements	Government grants & subsidies - Reconciliation between the AFS & TB	Section 62(1) (b) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), states that:" the accounting officer of the municipality is responsible for financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards."			Yes	The finding is due to inadequate reviews of the amounts disclosed in the financial statements against underlying supporting schedules as well as reallocation/reclassification of amounts in the financial statements without passing reallocation/reclassification journals in the general ledger and trial balance	Finding is resolved	implemented	CFO		
Management Report finding No: 50	Management Report finding	General expenditure	Expenditure recorded inclusive of input VAT	In terms of Section 62(1)(c)(i) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) requires that the accounting officer of the municipality must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.	Other important matters	Yes	No	The cause is inadequate review of processing in the general ledger by an appropriate level of management.	A monthly report on expenditure, showing VAT amounts to be generated from the system and scrutinised to ensure that input VAT accurately claimed.	In progress - The system vendor has been requested to generate this report. A call has been logged. No progress from the system vendor to date.	CFO	November 2017	30 June 2018
Management Report finding No: 51	Management Report finding	General expenditure (fuel expenses)	Differences between the AFS, TB/GL and supporting schedules	Section 62(1) (b) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), states that:" the accounting officer of the municipality is responsible for financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards."	Other important matters	Yes	No	The finding is due to inadequate reviews of the amounts disclosed in the financial statements against underlying supporting schedules.	A quality review will be in three phases: Management, Independent reviewer and Internal Audit working together with Audit Committee to ensure that the AFS and TB agree to supporting schedules	In progress	CFO	March 2018	30 June 2018
Management Report finding No: 52	Management Report finding	General expenses (fuel expenses)	No evidence that fuel expenses incurred relates to ADM business purposes	Section 122(1) (a) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), states that in terms of Preparation of financial statements, "every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.	Other important matters	Yes	No	The root cause is that these are not Council vehicles but are accessories of service delivery tools.	A follow up and a request to Senior Managers Satellite offices and Area managers to submit reports and petrol/ diesel slips in respect of generators on a weekly basis. A monthly or quarterly report will be compiled.	In progress	Director: Corporate Services	30/04/2018	Ongoing
Management Report finding No: 53	Management Report finding	Payables from exchange transactions	Accrued leave pay incorrectly calculated	Section 62 of the MFMA states: "General financial management functions. — (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—that the municipality has and maintains effective, efficient and transparent systems—of financial and risk management and internal control."	Other important matters	Yes	No	Upon further investigation it was discovered that the cause of the error was not due to miscalculation but rather due to a system limitation.	The inability of the SAP system to perform certain functions is a matter that is handled by the Executive Management with the service provider.1. The leave capturing process will be improved by allocating a specific time for leave capturing (a circular will be issued in due course)	In Progress - The service provider (ECH) is back on sight for further engagement.	Director: Corporate Services	May 2018	30 June 2018
Management Report finding No: 54	Management Report finding	Payables from exchange transactions	Accrued leave pay includes leave in excess of the 48 days limit	Section 62 of the MFMA states: "General financial management functions. — (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—that the municipality has and maintains effective, efficient and transparent systems—of financial and risk management and internal control."			No	The supporting evidence submitted by management does not change the finding, but only affects the root cause of the finding. Therefore, the root cause for the finding has been revised to indicate that leave taken is not captured timeously as there was leave processed only after 146 days it had been taken.	1. The leave capturing process will be improved by allocating a specific time for leave capturing (a circular will be issued in due course). 2. Workshops to be arranged to brief employees on Leave Management 1 The leave capturing process will be improve by allocating a specil time for leave capturing (a circular will be issued in due course). 2 Workshops to be arranged to brief employees on leave Management.	In progress	Director: Corporate Services	20 February 2018	30 June 2018
Management Report finding No: 55	Management Report finding	Audit of predetermined objectives	Actions to address internal control deficiencies on predetermined objectives not included in the audit action plan	Section 62 of the MFMA states: "General financial management functions. — (1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—that the municipality has and maintains effective, efficient and transparent systems—of financial and risk management and internal control."	Other important matters	Yes	No	The cause is that these findings were not included in the detailed findings part of the management report as management adjusted and they were subsequently resolved.	2016/17 Action Plan drafted includes the internal control deficiencies	In progress - The ratios per the SDBP were adjusted to reflect the figures in the audited AFS as per recommendation by the AG from the 2015/16 FY audit	CFO	October 2018	30 June 2018

Reference/No	Audit Report paragraph / Internal Audit Report / Management Report finding	n	Findings	Legal Requirements	Type (Is the finding an Administrative matter or other matters affecting the organisation)	Compliance Finding (Yes/No)	Repeat Finding from PY (Yes/No)	Cause/Internal Control System Lapse (Audit Report & Management Report)	Action plan	Progress	Responsible person	Start Date	Completion Date
Management Report finding No: 56(a)	Management Report finding	Audit of predetermined objectives	Key performance indicator - Turnaround time for filing of critical, vacant and budgeted posts. Turnaround time to fill existing critical, budgeted vacant posts.	In terms of Chapter 2 of the Framework for Managing Programme Performance Information The planning, budgeting and reporting cycle describes the relationship between these processes and emphasizes that the executive is accountable to the relevant elected representative body for the entire process. Full and regular reports are required at each stage of the process. At any given time within government, information from multiple years is being considered: plans and budgets for next year, implementation for the current year, and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The performance information reported in accountability documents enables Parliament, provincial legislatures, municipal councils and the public to track government performance, and to hold it accountable. Performance information also needs to be available to managers at each stage of the planning, budgeting and reporting cycle so that they can adopt a results-based approach to managing service delivery. This approach emphasizes planning and managing with a focus on desired results, and managing inputs and activities to achieve these results.			No	The cause is that the indicators and targets are not set in terms of the framework for managing programme performance information.	Actions to be obtained from Management	In progress - in line with this remedial action. A new KPI 20 was developed for the 2017/18 financial year which measures the cost of the operational budget versus employee costs to ensure that the recruitment process has financial implications attached. The financial implications could not be attached directly to the KPI as there is no predetermined number of positions which will be vacant in a financial year, the vacancies arise on an adhoc basis	Director: Corporate Services	July 2017	30 June 2018
Management Report finding No: 56(b)	Management Report finding	Audit of predetermined objectives	No of new registered indigent consumers receiving 6kl free water basic services	In terms of Chapter 2 of the Framework for Managing Programme Performance Information The planning, budgeting and reporting cycle describes the relationship between these processes and emphasizes that the executive is accountable to the relevant elected representative body for the entire process. Full and regular reports are required at each stage of the process. At any given time within government, information from multiple years is being considered: plans and budgets for next year, implementation for the current year, and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The performance information reported in accountability documents enables Parliament, provincial legislatures, municipal councils and the public to track government performance, and to hold it accountable. Performance information also needs to be available to managers at each stage of the planning, budgeting and reporting cycle so that they can adopt a results-based approach to managing service delivery. This approach emphasizes planning and managing with a focus on desired results, and managing inputs and activities to achieve these results.	Other important matters	Yes	No	The cause is that the indicators and targets are not set in terms of the framework for managing programme performance information.	SDBIP target will be reviewed in January to allocate the operational budget allocated to this indicator and going forward 2018/19 will be corrected	In progress	CFO		30 June 2018
Management Report finding No: 56(c)	Management Report finding	Audit of predetermined objectives	No of SMME development programme implemented	In terms of Chapter 2 of the Framework for Managing Programme Performance Information The planning, budgeting and reporting cycle describes the relationship between these processes and emphasizes that the executive is accountable to the relevant elected representative body for the entire process. Full and regular reports are required at each stage of the process. At any given time within government, information from multiple years is being considered: plans and budgets for next year, implementation for the current year, and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The performance information reported in accountability documents enables Parliament, provincial legislatures, municipal councils and the public to track government performance, and to hold it accountable. Performance information also needs to be available to managers at each stage of the planning, budgeting and reporting cycle so that they can adopt a results-based approach to managing service delivery. This approach emphasizes planning and managing with a focus on desired results, and managing inputs and activities to achieve these results.	Other important matters	Yes	No	The cause is that the indicators and targets are not set in terms of the framework for managing programme performance information.	There was no budget allocated for these programmers (we achieved through partnering with strategic sectors). No remedial action stated.	In progress	Director: LHSED		Awaiting client response
Management Report finding No: 56(d)	Management Report finding	Audit of predetermined objectives	% budget spent on MIG funding	In terms of Chapter 2 of the Framework for Managing Programme Performance Information The planning, budgeting and reporting cycle describes the relationship between these processes and emphasizes that the executive is accountable to the relevant elected representative body for the entire process. Full and regular reports are required at each stage of the process. At any given time within government, information from multiple years is being considered: plans and budgets for next year, implementation for the current year, and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The performance information reported in accountability documents enables Parliament, provincial legislatures, municipal councils and the public to track government performance, and to hold it accountable. Performance information also needs to be available to managers at each stage of the planning, budgeting and reporting cycle so that they can adopt a results-based approach to managing service delivery. This approach emphasizes planning and managing with a focus on desired results, and managing inputs and activities to achieve these results.	Other important matters	Yes	No	The cause is that the indicators and targets are not set in terms of the framework for managing programme performance information.	We do not concur with the findings as what is being monitored is if we are able to spend 100% of the allocated MIG budget, hence the figure that has been indicated as total budget is what has been allocated for the Municipality in terms of MIG grant. No remedial action stated.	In progress - The strategic department is better suitable to elaborate on this matter, as they are the custodian of setting of target and SDBIP processes.	Director: Engineering Services		
Management Report finding No: 56(e)	Management Report finding	Audit of predetermined objectives	2017 - 2022 Integrated Development Plan submitted to Council for approval	In terms of Chapter 2 of the Framework for Managing Programme Performance Information The planning, budgeting and reporting cycle describes the relationship between these processes and emphasizes that the executive is accountable to the relevant elected representative body for the entire process. Full and regular reports are required at each stage of the process. At any given time within government, information from multiple years is being considered: plans and budgets for next year, implementation for the current year, and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The performance information reported in accountability documents enables Parliament, provincial legislatures, municipal councils and the public to track government performance, and to hold it accountable. Performance information also needs to be available to managers at each stage of the planning, budgeting and reporting cycle so that they can adopt a results-based approach to managing service delivery. This approach emphasizes planning and managing with a focus on desired results, and managing inputs and activities to achieve these results.	Other important matters	Yes	No	The cause is that the indicators and targets are not set in terms of the framework for managing programme performance information.	IDP will be developed in house, running cost for IDP activities are allocated under operational budget, and this will be reflected in the 2017/18 SDBIP. However cost related to public participation will be catered under public participation key Performance Indicator.	In progress	Director: Strategic Planning & Management		Awaiting client responses

Reference/No	Audit Report paragraph / Internal Audit Report / Management Report finding	n	Findings	Legal Requirements	Type (Is the finding an Administrative matter or other matters affecting the organisation)	Compliance Finding (Yes/No)	Repeat Finding from PY (Yes/No)	Cause/Internal Control System Lapse (Audit Report & Management Report)	Action plan	Progress	Responsible person	Start Date	Completion Date
Management Report finding No: 57	Management Report finding	Audit of predetermined objectives	LED indicators and targets not aligned to key government priorities	Section 46(1)(a) of the Municipal Systems Act states that a municipality must prepare for each financial year a performance report reflecting the performance of the municipality and each external service provider during that financial year.	Other important matters	Yes	No	Internal control deficiency - Leadership: Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.	Management will propose relevant SDBIP targets that will ensure development of SMME's and Local Suppliers during the SDBIP review process. New legislation has been promulgated to enhance SMME and BBBEE development and support.	In progress	CFO	January 2018	30 June 2018
Audit Report paragraph 49; Management Report finding No: 58	Audit Report paragraph	Audit of predetermined objectives	Audit Report paragraph 49 - Management did not exercise adequate oversight over financial reporting, reporting on predetermined objectives and compliance. As a result, the consolidated and separate financial statements and annual performance report contained material misstatements due to lack of regular processing and reconciliation of transactions and non-compliance with legislation was not adequately monitored. Management Report finding No: 58 - Inadequate controls over reporting on predetermined objectives	Section 46(1)(a) of the Municipal Systems Act states that a municipality must prepare for each financial year a performance report reflecting the performance of the municipality and each external service provider during that financial year.			No	The cause of the above findings is due to management not signing the progress reports as to indicate that the progress reports were reviewed.	1. All the quarterly reports have been retrieved and signed by the HOD 2. All future reports will be signed by the HOD.	Implemented - The reports have been signed by the HOD, in this current financial year all the quarterly reports have been signed by the HOD. Hence quarter 1&2 have been signed and this exercise will be done and signed by HOD on a quarterly basis.	Director: LHSED		
Audit Report paragraph 31; Management Report finding No: 59	Audit Report paragraph	AOPO	Audit Report paragraph 31 - Identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of basic service delivery and infrastructure investment. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness of the reported performance information. Those that were not corrected are reported above. Measures put in place to improve performance were not adequate disclosure in the APR (BDS)	Section 41 (d) and (e) a municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed: d) take steps to improve performance with regard to those development priorities and objectives where performance targets are not met; and e) establish a process of regular reporting to – f) the public and appropriate organs of state.	Other important matters	Yes	No	The cause is due to lack of identification of the actual root cause for non-performance.	N/A	In progress - Ensure that Departments put remedial actions that seek to address the root cause for not achieving the targets	Director: Strategic Planning & Management	January 2018	30 June 2018
Management Report finding No: 60	Management Report finding	Procurement and contract management	Deviations not tabled before Council and disclosed in the Annual Financial Statements	Section 36(2) of the Municipal SCM Regulations states that the accounting officer must record the reasons for any deviations in terms of sub regulation 36(1)(a) and (b) and report them in the next meeting of council, or board of directors in the case of a municipal entity, and include as a note in the Annual Financial Statements.	Other important matters	Yes	No	The cause of this finding is that this deviation was not included in the deviation listing and was therefore omitted when other deviations were reported to council and included in the AFS. This is therefore due to lack of management oversight.	1. All deviations must be reported to the SCM Unit by Departments. 2. If Departments fail to report all deviations the SCM Officers will detect deviations before generating an Purchase Requisition Order. 3. All Deviations will be captured daily as received. 4. A quarterly Report will be compiled and submitted to all the relevant structures of Council and Council itself as required by legislation.	In progress - All Deviations for the first and second quarter of the Financial Year has been recorded and submitted to Council.	CFO	July 2017	30 June 2018
Management Report finding No: 61	Management Report finding	Procurement and contract management	Reasons for deviations not justifiable	In terms of SCM regulation 36.1 (a), a supply chain management policy may allow the accounting officer to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process which may include direct negotiations, but only: i) in an emergency; ii) if goods or services are produced or available from a sole provider; iii) for acquisition of special works of art or historical objects iv) acquisition of animals for zoos; v) it was an unsolicited bids; vi) the Audites participated in a contract arranged by another organ of state; or vii) in any other exceptional case where it is impractical or impossible to follow the official procurement process.			Yes	The cause of this finding is poor planning by the municipality as the items procured were in terms of legislation and therefore the municipality should have known that they would be required to procure the items.	The matter will be investigated. Depending on the outcome of the investigation, appropriate corrective action will be taken through consequence management	Implemented. Finding is resolved	CFO	Finding is resolved	Finding is resolved
Management Report finding No: 63	Management Report finding	Procurement and contract management	80/20 preference point system used by the evaluation committee is different from the 90/10 preference point system in the advert.	Framework for implementation of preferential procurement policy. — (1) An organ of state must determine its preferential procurement policy and implement it within the following framework: (a) A preference point system must be followed; (b) (i) for contracts with a Rand value above a prescribed amount a maximum of 10 points may be allocated for specific goals as contemplated in paragraph (d) provided that the lowest acceptable tender scores 90 points for price; (ii) for contracts with a Rand value equal to or below a prescribed amount a maximum of 20 points may be allocated for specific goals as contemplated in paragraph (d) provided that the lowest acceptable tender scores 80 points for price;			No	The bid evaluation committee erroneously used the Preferential Procurement Policy Framework Act, 2000: Preferential Procurement regulation, 2017, which state that 80/20 preference point system for acquisition of goods or services for rand value equal or above R30 000 and up to R50 million for tenders advertised on or after 1 April 2017 to a tender advertised 29 November 2016 in terms of the 2011 regulation.	checklist for Bid Committees will be developed so as to guide committees on legislative requirements when committees are in sessions.	Implemented. Finding is resolved	CFO		
Management Report finding No: 64	Management Report finding	Procurement and contract management	False declaration submitted by service providers	In terms of section 13 of the SCM regulations, a supply chain management policy must state that the municipality or municipal entity may not consider a written quotation or bid unless the provider who submitted the quotation or bid— 1. has furnished the municipality or municipal entity with that provider's— i. full name; ii. identification number or company or other registration number; and iii. tax reference number and VAT registration number, if any; 2. has authorised the municipality or municipal entity to obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order; and 3. has indicated— i. whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months; ii. if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or iii. whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.	Other important matters	Yes	Yes	The cause is that the municipality does not have systems in place to identify the connections or relationships prior to making the awards.	Workshops will be held with Service Providers, Suppliers and contractors informing them to take note of the tender documentation that they complete and the consequences if documentation are incorrectly completed.	In progress - Workshops have been held in Quarter 1 and 2 of the Financial Year. A third workshop will be held on the 9th March 2018 in Stutterheim.	CFO	July 2017	30 June 2018
Management Report finding No: 65	Management Report finding	Procurement and contract management	Awards advertised for less days than required by legislation	SCM regulation 18(a) states that a supply chain management policy must determine the procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations, and must stipulate that all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of regulation 17, be advertised for at least seven days on the website and an official notice board of the municipality or municipal entity.	Other important matters	Yes	No	The causes for this finding are due to inadequate monitoring and follow up by management to ensure adverts are uploaded on time	The matter will be investigated. Depending on the outcome of the investigation, appropriate corrective action will be taken through consequence management	In progress - All adverts are provided to the Communications Unit 3 days prior to display on the ADM Website in order to avoid this re-occurrence.	CFO	March 2018	01 June 2018
Management Report finding No: 66	Management Report finding	Procurement and contract management	Reasons provided for not awarding the contract to the highest bidder are not justifiable	Section 2(1)(f) of the Preferential Procurement Policy Framework Act states that the contract must be awarded to the tenderer who scores the highest points, unless objective criteria in addition to those contemplated in paragraphs (d) and (e) justify the award to another tenderer.	Other important matters	Yes	No	The cause of the above is the bid evaluation and bid adjudication committees viewing the price of the highest point scorer as being too low.	1. Analyse irregular expenditure incurred prior June 2017 and pull a report that properly supports the figures 2. Submit to Council for the purpose of noting and further investigation towards condonement. 3. New irregular expenditure to be reported in Sec 71 and Sec 52(d) reports 4. MPAC to investigate based upon the recommendations	In progress	CFO	March 2018	01 June 2018
Management Report finding No: 67	Management Report finding	Procurement and contract management	Deviations not reported to the next council meeting	Section 36(2) of the Municipal SCM Regulations states that the accounting officer must record the reasons for any deviations in terms of sub regulation 36(1)(a) and (b) and report them in the next meeting of council, or board of directors in the case of a	Other important matters	Yes	No	The cause of the above is lack of management oversight in ensuring that deviations are reported to council timely.	1. All deviations must be reported to the SCM Unit by Departments. 2. If Departments fail to report all deviations the SCM Officers will detect deviations before generating an Purchase Requisition Order. 3. All Deviations will be captured daily as received. 4. A quarterly Report will be compiled and submitted to all the relevant structures of Council and Council itself as required by legislation.	In progress - All Deviations for the first and second quarter of the Financial Year has been recorded and submitted to Council.	CFO	March 2018	01 June 2018
Management Report finding No: 68	Management Report finding	Receivables from non-exchange:	Human Settlements Receivable incorrect classified	In terms of Section 62(1)(c)(i) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) requires that the accounting officer of the municipality must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.	Other important matters	Yes	No	The cause is inadequate review of the Annual Financial Statements.	The transaction will be verified with Legal Services to determine whether the recognition of the transaction is correctly classified and change will be effected accordingly	In progress	CFO	August 2017	30 June 2018

Reference/No	Audit Report paragraph / Internal Audit Report / Management Report finding	n	Findings	Legal Requirements	Type (Is the finding an Administrative matter or other matters affecting the organisation)	Compliance Finding (Yes/No)	Repeat Finding from PY (Yes/No)	Cause/Internal Control System Lapse (Audit Report & Management Report)	Action plan	Progress	Responsible person	Start Date	Completion Date
Management Report finding No: 69	Management Report finding	Revenue (Service Charges)	Average consumption calculation and billing not in terms of the policy	Section 62(1) (b) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), states that "the accounting officer of the municipality is responsible for financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards."	Other important matters	Yes	No	The cause is due to average that is calculated by the system not being consistent with the requirement as set out in the credit control and debt management policy.	Policy will be reviewed to include all important components	In progress - The policy has been reviewed and addresses the issue of billing for average consumption. The draft policy will be included in the Council agenda of 28 March 2018 for adoption	CFO	January 2018	30 June 2018
Management Report finding No: 70	Management Report finding	Revenue (Service Charges)	Differences between the billing report and the financial statements	Section 62(1) (b) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), states that "the accounting officer of the municipality is responsible for financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards."	Other important matters	Yes	No	The finding is due to inadequate reviews of the amounts disclosed in the financial statements against the underlying supporting schedules.	A quality review will be in three phases: Management, Independent reviewer and Internal Audit working together with Audit Committee to ensure reports support the financial statements Monthly reconciliations to be performed between the GL and the subsidiary ledger	In progress - The ISU module does not reconcile with the FI module (GL) System vendor on site and remote connection trying to resolve the issues	CFO	September 2017	30 June 2018
Management Report finding No: 71	Management Report finding	Revenue (Government Grants & Subsidies):	Equitable share grant not recognised on the accrual basis of accounting	Section 62(1) (b) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), states that "the accounting officer of the municipality is responsible for financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards."	Other important matters	Yes	No	The cause of the above finding is due to inadequate review of amounts recognized as grants revenue against amounts allocated as per DORA schedules.	Monthly reconciliations of grants received to DoRA performed	In progress - Monthly reconciliations have been prepared 6th January 2018	CFO	July 2017	30 June 2018
Management Report finding No: 72	Management Report finding	Revenue (Government Grants & Subsidies):	Disclosure Note 28 not presented accurately	Section 122(1) (a) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), states that in terms of Preparation of financial statements, "every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year."	Other important matters	Yes	No	The finding is due to inadequate reviews of the amounts disclosed in the financial statements against the underlying supporting schedules.	Monthly reconciliations of both grant income and grant expenditure to be performed. Relevant journal entries for the recognition of grant income to be prepared and captured monthly	In progress - monthly reconciliations for grant expenditure and income have been done till December 2017. The journal was recognised during January 2018	CFO	January 2018	30 June 2018
Management Report finding No: 73	Management Report finding	Revenue	Government grants and subsidies - Differences between the Trial Balance and the grants register	Section 62 of the MFMA states: "General financial management functions—(1) The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—that the municipality has and maintains effective, efficient and transparent systems—of financial and risk management and internal control."	Other important matters	+	No	The finding is due to inadequate reviews of the amounts disclosed in the financial statements.	Monthly reconciliations of both grant income and grant expenditure to be performed. Relevant journal entries for the recognition of grant income to be prepared and captured monthly	In progress - monthly reconciliations for grant expenditure and income have been done 6th December 2017. The journal was recognised during January 2018	CFO	January 2018	30 June 2018
Internal Audit Report - Asset Management Review - Finding No: 1.1	Internal Audit Report (2016/2017)	Asset Management Review	1.1 Lost asset still depreciating on asset register	Asset Management Policy Version 4, 4.13 reporting write-off of assets, states that "The write-off of assets is the process to permanently remove the assets from the asset register. Assets can be written-off after approval of the Municipal Manager of a report indicating that: The useful life of the asset has expired; The asset has been destroyed; The asset is outdated; The asset has no further useful life; The asset does not exist anymore; The asset has been sold; and Acceptable reasons have been furnished leading to the circumstances set out above."				Lack of continuous monitoring and review of asset register by management. No correlation between the Asset Movements and Insurance office	A list of write offs from insurance will be requested on a weekly basis and for this control to be made on a weekly basis. A reconciliation between the insurance schedule and the assets register will be performed on a monthly basis to ensure that only assets in the assets register are insured.	The lost asset has since been removed from the asset register	CFO	January 2018	30 March 2018
Internal Audit Report - Asset Management Review - Finding No: 1.2	Internal Audit Report	Asset Management Review	1.2 Non correspondence of the asset register and policy on useful lives	The system is now configured to automatically provide the useful life on selection of the type of an asset. The risk of having the same finding is minimised.				Oversight Asset management system not configured according to the asset management policy.	The system is now configured to automatically provide the useful life on selection of the type of an asset. The risk of having the same finding is minimised.	Implemented.	CFO		
Internal Audit Report - Asset Management Review - Finding No: 1.3	Internal Audit Report (2016/2017)	Asset Management Review	1.3 Assets that were not returned by Councilors	Asset management policy version 5, section 4.8 resignations: At the resignation of an employee the applicable Director or his/her duly delegated representative must complete the relevant asset form and forward it to the human resources Department for their further attention. This form is a statement that the inventory and asset items entrusted to the employee to execute his/her daily duties are in good order and handed in where necessary (refer to section 5.4 Asset Clearance Form).				Ineffective of asset verification	Request to user departments to make a follow up with the mentioned councilors to return the laptops. All Assets Management activities be centralised at Budget and Treasury Office to mitigate the risk of assets losses. The exit form be utilised for Councilors to ensure that no Councilors losses.	A communication has been made with the user department to contact the Councilor's to try and recover assets that were utilised by the Councilor's.	CFO	January 2018	30 June 2018
Internal Audit Report - Asset Management Review - Finding No: 2.1 [Insurance]	Internal Audit Report (2016/2017)	Asset Management Review	2.1 Incomplete documented insurance policy schedule	In terms of Section 63(1) (a) and (2) (a) of the Municipal Finance Management Act (MFMA), the accounting officer of the municipality is responsible for the management of the municipality, including the safekeeping and the maintenance of those. (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure that the municipality has and maintains a management, accounting and information system that accounts for the liabilities of the municipality.				Lack of casting of insurance schedule against the asset register	ADM Insurance office will communicate with the Insurance Broker in order to rectify the insurance Schedule accordingly.	In progress - we have numerous meetings with our Insurance Broker regarding the updated insurance schedule. The reconciliation between the Insurance Schedule and Asset Register is done on a monthly basis as one of our controls which would indicate if we are under insured as an institution.	CFO	January 2018	30 June 2018
Internal Audit Report - Asset Management Review - Finding No: 2.2 [Insurance]	Internal Audit Report (2016/2017)	Asset Management Review	2.2 No consistency in insurance pay-outs	In terms of Section 63(1) (a) and (2) (a) of the Municipal Finance Management Act (MFMA), the accounting officer of the municipality is responsible for the management of the municipality, including the safekeeping and the maintenance of those. (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure that the municipality has and maintains a management, accounting and information system that accounts for the liabilities of the municipality.				Inconsistencies by insurance	ADM Insurance Office will engage the Insurance Broker, using contract as the base, in order to get clarity specifically for CPU Computers that are on the open plan.	In progress - we have communicated the matter with our Insurance Broker and we will do a follow up again specifically on assets that are on the open plan.	CFO	February 2018	30 March 2018
Internal Audit Report - Asset Management Review - Finding No: 2.3 [Insurance]	Internal Audit Report (2016/2017)	Asset Management Review	2.3 Assets on the asset register that are not confirmed by the insurer	In terms of Section 63(1) (a) and (2) (a) of the Municipal Finance Management Act (MFMA), the accounting officer of the municipality is responsible for the management of the municipality, including the safekeeping and the maintenance of those. (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure that the municipality has and maintains a management, accounting and information system that accounts for the liabilities of the municipality.				Non adding of newly procured assets for insurance cover.	The above mentioned assets 1, 2, 3 and are still under investigation between ADM Insurance Office and Lateral Union	We are constantly communicating with Movable Assets on newly procured assets in order to ensure that as soon as they are barcoded we forward them to our Insurance Broker in order to be added in ADM Insurance Cover. The reconciliation is done on a monthly basis with the relevant supporting documents. In addition the insurance officer has access to the AMS in order to identify assets acquisition timeliness.	CFO	January 2018	30 June 2018
Internal Audit Report - Asset Management Review - Finding No: 2.4 [Insurance]	Internal Audit Report (2016/2017)	Asset Management Review	2.4 Assets are not covered at the acquired date	Asset management policy version 5, section 4.16 insurance of assets; all insured assets shall be handled in terms of the Municipality's Insurance Policy as agreed with the Insurance Brokers. The MM or Designee should ensure that all assets are insured. The CFO should recommend the basis of insurance to be applied to each type of fixed asset (e.g. carrying value or replacement value). For all assets acquired, the HOD should notify the Insurance Claim Senior Accountant on delivery to provide immediate cover. It is the responsibility of the HOD to ensure that the purchase capital asset has been covered for insurance purposes before it is used by the respective department.				Late updating of insurance schedule	To communicate with user departments to ensure that newly acquired assets are not distributed to the responsible officials until we supply them with a proof which indicates that the assets have been insured.	Still work in progress - Although last year we have started with the process of issuing a circular in order to ensure that the user department are fully aware with the process of insuring the assets. In the current financial period we will ensure that the circular is forwarded to all user departments on a monthly or weekly basis.	CFO	January 2018	30 June 2018
Internal Audit Report - Expenditure Management Review - Finding No: 1.1 [Policies and Procedures]	Internal Audit Report (2016/2017)	Expenditure Management Review	1.1 Procedure Manual has not been reviewed.	The Municipal Finance Management Act No.56 of 2003 section 62(1) (c) (i) prescribes that "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control" In addition, in terms of section 65(2)(a) prescribes that "The accounting officer must for the purpose of subsection (1) take reasonable steps to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorization, verification and payment of funds."				Lack of close supervision over the review and update of procedure manual.	In future BTO will engage qualified engineers to perform fully the componentization of assets so as to have complete assets. Componentisation to be included in the specification and contracts of all newly appointed service providers	Still work in progress - We are engaging with Engineering Department and SCM in making sure that the componentisation is included in the specification and contracts of all newly appointed service providers. EOH has been engaged as well in order to assist with ADM Asset Hierarchy which will be included in Draft Asset Management Policy before it can be approved by council.	CFO	January 2018	30 June 2018
Internal Audit Report - Expenditure Management Review - Finding No: 2.1 (a) [Reconciliations]	Internal Audit Report	Expenditure Management Review	Lack of monitoring mechanisms- Invoices were not processed to Venus system within the required period of 30 days.	According to section 65 of the MFMA the accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure - (a) that the municipality has and maintains an effective system of expenditure control; including procedures for the approval, authorization, withdrawal and payment of funds;(b) that the municipality has and maintains a management, accounting and information system which: (i) recognizes expenditure when it is incurred;(ii) accounts for creditors of the municipality, and (iii) Accounts for payments made by the municipality				Management oversight.	We are in the process of reviewing the useful lives of all asset classes	Implemented.	CFO		

Reference/No	Audit Report paragraph / Internal Audit Report / Management Report finding	n	Findings	Legal Requirements	Type (Is the finding an Administrative matter or other matters affecting the organisation)	Compliance Finding (Yes/No)	Repeat Finding from PY (Yes/No)	Cause/Internal Control System Lapse (Audit Report & Management Report)	Action plan	Progress	Responsible person	Start Date	Completion Date
Internal Audit Report - Expenditure Management Review - Finding No: 2.1(b) [Reconciliations]	Internal Audit Report	Expenditure Management Review	Lack of monitoring mechanisms- Venus statement is signed by one official.	The Municipal Finance Management Act No 56 of 2003 section 62(1) (c) (i) prescribes that, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."				Management oversight.	This will be closely monitored. The reconciliations are to be signed by two officials one being the preparer and other being the reviewer (Snr Accountant). Going forward since this control weakness has been identified, the Expenditure Manager is to review the reconciliations to ensure that these have been signed by both officials.	Implemented.	CFO		
Internal Audit Report - Expenditure Management Review - Finding No: 3 [Request for goods and services]	Internal Audit Report (2016/2017)	Expenditure Management Review	3.1 Lack of monitoring mechanisms over expenditure management processes – suppliers not paid within 30 days	The Municipal Finance Management Act No 56 of 2003 section 65(1) prescribes that, "The accounting officer of a municipality is responsible for the management of the expenditure of the municipality." Section 65(2)a further prescribes that, "The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure."				Management oversight.	There are invoices that are not being paid within 30 days of receipt of the invoice this due to the cash flow constraints that the municipality is experiencing and there are still instances where departments are submitting invoices to the Expenditure unit for payment after 30 days.	IN PROGRESS	CFO		
Internal Audit Report - Fire Services Review - Finding No: 1	Internal Audit Report (2016/2017)	Fire Services Review	1. Fire emergency evacuation drill not conducted	By law companies are expected to adhere to South African standards and regulations. The framework for these standards are set in the Occupational Health and Safety Act of 1993. Having an effective and accurate Occupational Health and Safety System in place allows you to be on top of safety within your working environment. The standards suggest a minimum of 2 fire drills be conducted per annum. This ensures that you have systems in place in the event of an emergency. This also keeps the staff aware of what to do when the building needs to be evacuated				Regular renovations of the building occupied by ADM and the surrounding area may present safety hazard if a drill was conducted.	The progress is still on the pipeline as the unit had a meeting with BCM Fire services. Another meeting with the landford has been scheduled.	IN PROGRESS	Director: Corporate Services		
Internal Audit Report - Fire Services Review - Finding No: 2	Internal Audit Report (2016/2017)	Fire Services Review	2. Non implementation of the Fire services organogram	According to the Municipal Systems Act No 32 of 2000 Section 67:"Human resource development - 67 (l) a municipality, in accordance with the Employment Equity Act, 1998, must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including- the recruitment, selection and appointment of persons as staff members; service conditions of staff; the supervision and management of staff; the monitoring, measuring and evaluating of performance of staff; the promotion and demotion of staff; the transfer of staff; grievance procedures; disciplinary procedures; the investigation of allegations of misconduct and complaints against staff; the dismissal and retrenchment of staff; and any other matter prescribed by regulation in terms of section 72. (Sub-s. (1) amended by s. 38 of Act No. 51 of 2002."				§ Insufficient budget! Management oversight where management may have overlooked the shortage of staff.	The progress is still on the pipeline as the unit has had a meeting with BCM Fire services. Another meeting with the landford has been scheduled.	IN PROGRESS	Director: Corporate Services		
Internal Audit Report - Annual Financial Statements Review- Finding No: 1.1 [Prior Year differences]	Internal Audit Report	Annual Financial Statements Review	1.1 Non effecting of policy change	According to the Municipal Systems Act No 32 of 2000 Section 67:"Human resource development - 67 (l)				According to the Municipal Systems Act No 32 of 2000 Section 67:"Human resource development - 67 (l)		Implemented.	CFO		
Internal Audit Report - Annual Financial Statements Review- Finding No: 1.2 [Prior Year differences]	Internal Audit Report	Annual Financial Statements Review	1.2 Prior year balances of 15/16 AFS not corresponding to the AFS published in the14/15 Financial Statements							Implemented.	CFO		
Internal Audit Report - Annual Financial Statements Review- Finding No: 2(a) [Current Year Balances]	Internal Audit Report	Annual Financial Statements Review	Understated Inventory							Implemented.	CFO		
Internal Audit Report - Annual Financial Statements Review- Finding No: 2(b) [Current Year Balances]	Internal Audit Report	Annual Financial Statements Review	CURRENT LIABILITIES: DBSA Loan schedule not corresponding to the AFS							Implemented.	CFO		
Internal Audit Report - Annual Financial Statements Review- Finding No: 2 (c) [Current Year Balances]	Internal Audit Report	Annual Financial Statements Review	Differences noted between AFS, Trial Balance, Lead Schedules and							Implemented.	CFO		
Internal Audit Report - Annual Financial Statements Review- Finding No: 2 (D) [Current Year Balances]	Internal Audit Report	Annual Financial Statements Review	System Asset Register not tallying with AFS Reconciliation							Implemented.	CFO		
Internal Audit Report - Stakeholder Communication Review- Finding No: 1.1	Internal Audit Report (2016/2017)	Stakeholder Communication Review	1.1 No proof that awareness campaigns are conducted to departments in respect of information that should be reported to the Communities.	According to Amathole District Municipality Communications Strategy (2016/2017) paragraph 1 under the heading introduction, states that the National Development Plan (NDP) emphasises on the need for a more inclusive, dynamic, diverse and equitable economy, which is able to bridge the economic gap that continues to create inequality in our communities. To this end, President Jacob Zuma states that "Municipalities should communicate with citizens at all times to reduce the level of frustration and anger among people who demand service delivery. When there is a delay, they should be informed. If there is water or electricity cuts, for whatever reason, they should be informed and told when this will be fixed".				Matters of emphasis are not properly communicated to Communications Unit for awareness purposes to their stakeholders.	The first two meetings arranged with Community Services and LESS were postponed indefinitely. A new schedule will have to be developed.	IN-PROGRESSS	Director: Strategic Planning & Management		
Internal Audit Report - Stakeholder Communication Review- Finding No: 1.2	Internal Audit Report (2016/2017)	Stakeholder Communication Review	1.2 Schedule of activities as per Communication Action Plan has not been prepared.	According to the Amathole District Municipality Communications Policy under the heading Communication Strategies and Action Plans states that "the Communication Strategy is the guiding document for the ADM and as departmental communications programmes. The ADM's communications strategy is derived as follows: <ul style="list-style-type: none"> • The Cabinet Lekgotla resolves on a broad programme and strategic priorities of government; • On the basis of this programme, the Government's Communication Strategy/Framework for the year is drawn up". 				Lack of supervision on the monitoring of the unit's daily operations.	Senior Manager will see to it that a checklist of programmes developed and supporting documents are available as proof that programmes are implemented	IN-PROGRESSS	Director: Strategic Planning & Management		
Internal Audit Report - Stakeholder Communication Review- Finding No: 2.1 [Communication Committee]	Internal Audit Report (2016/2017)	Stakeholder Communication Review	2.1 Communication Committee has not been established	In terms of ADM Communications Policy paragraph 5.2.7 under the heading Communication Crisis Situation states that: A crisis situation is every organization's worst nightmare. It is important to have a framework in place in such an event. Examples of crisis situations at the ADM could include: Natural Disasters (bomado damage, floods, fires, droughts etc. Disease outbreaks (cholera, rabies, bovine TB etc.) Disruption of essential services (water and sanitation). Any other event that may damage the reputation and image of the municipality				Management oversight.	The matter was escalated to the HOD for guidance.	IN-PROGRESSS	Director: Strategic Planning & Management		

Reference/No	Audit Report paragraph / Internal Audit Report / Management Report finding	n	Findings	Legal Requirements	Type (Is the finding an Administrative matter or other matters affecting the organisation)	Compliance Finding (Yes/No)	Repeat Finding from PY (Yes/No)	Cause/Internal Control System Lapse (Audit Report & Management Report)	Action plan	Progress	Responsible person	Start Date	Completion Date
Internal Audit Report - Stakeholder Communication Review- Finding No: 3.1 [Environmental Analysis Research]	Internal Audit Report (2016/2017)	Stakeholder Communication Review	3.1 An environmental analysis research has not been conducted.	In terms of ADM Communications Policy paragraph 5.2.4 under the heading Environment Analysis/Research states that: "Research is crucial to assess the needs, perceptions and attitudes of stakeholders. Research will inform management - on best communication practices to be applied in any given situation. The communications unit will be responsible to undertake the following research: • The development of a profile/database on each ward within the district with the support and assistance of community liaison officer/assistant, community development workers, and ward committee members. This will assist in providing accurate information that is target specific to any ward". • Media monitoring, research and analysis including news clips".				Management oversight	Procedure on how this environmental scanning will be done by end of December 2017.	IN-PROGRESS	Director: Strategic Planning & Management		
Internal Audit Report - Follow-Up: Project Management Review- Finding No: 1.1 [PMU Operations]	Internal Audit Report	Follow-Up: Project Management Review	1.1 No proof of affiliation of Regional Manager to Engineering Professional bodies	The South African government website states that "Registration as a professional engineer with the Engineering Council of South Africa (ECSA) is a statutory requirement if you: • Perform consulting engineering work. • Take responsibility for the performance of engineering work. • Perform functions as laid down in certain statutes (e.g. the National building Regulations). • Wish to become a full member of some recognised institutes."				Non compliance	Cancelled affiliation was reinstated, and proof has been provided	Implemented.	Director: Engineering Services		
Internal Audit Report - Follow-Up: Project Management Review- Finding No: 1.2 [PMU Operations]	Internal Audit Report	Follow-Up: Project Management Review	1.2 Scope Limitation	According to the approved ADM Internal Audit Charter: Internal audit shall have unrestricted access to, at all reasonable times, all functions, books, documents, accounts, vouchers, records, property, correspondence				Non adherence to policies/procedures. • Improper Filling.	Communication will be improved in responding to the requested information and in future the head of the Division must also be informed of the requested information as to assist for submission.	Implemented.	Director: Engineering Services		
Internal Audit Report - Follow-Up: Project Management Review- Finding No: 1.3 [PMU Operations]	Internal Audit Report (2016/2017)	Follow-Up: Project Management Review	1.3 Vacant positions not filled in.	Section 3 of the PMU Guidelines 2007 states that "The following personnel are required within the municipality to resource the functions of the PMU: • Project Manager; • Engineer; • Technician;				Financial constraints	There is a institutional arrangement of not filling positions. Further the institution is undergoing an organogram exercise which will assist in allocating people appropriately in the process filling those vacate positions.	IN-PROGRESS - However, corporate services is much better positioned on the institutional new organogram status, placement and implementation thereof	Director: Engineering Services	December 2017	01 June 2018
Internal Audit Report - Follow-Up: Project Management Review- Finding No: 1.4 [PMU Operations]	Internal Audit Report	Follow-Up: Project Management Review	1.4 No designated central storage of project files.	In terms of Regulation 23 of the National Archives, 1997 "the head of the governmental bodies is responsible for ensuring that the records of such body:- Receive appropriate physical care: Are protected by appropriate security measures; Are managed in terms of standing orders of that body" ADM registry procedure manual states that "The Municipal Manager must ensure that all records in his/her custody are stored in offices and rooms that are protected against fire, flooding or unauthorized access."				Improper Filling.	September and three(Project Engineers) will start in December	Implemented.	Director: Engineering Services		
Internal Audit Report - Follow-Up: Project Management Review- Finding No: 2.1 [Project Identification and design]	Internal Audit Report	Follow-Up: Project Management Review	2.1 No proof of endorsement of the preliminary design reports by the municipality.	Section 6.10 of the MIG Guidelines states that "The consulting engineer will complete all the necessary surveys as well as the preliminary design based upon the selected design alternative.				Inadequate filing of project data	To make sure that minutes are made available of those meeting discussing the preliminary designs and filed under MIG data.	Implemented.	Director: Engineering Services		
Internal Audit Report - Follow-Up: Project Management Review- Finding No: 3.1 [Payments and Financial Management]	Internal Audit Report (2016/2017)	Follow-Up: Project Management Review	3.1 Late payment of invoice	MFMA section 65(2)(g) requires that: all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement.				Invoices not being submitted on time by the user departments; • Insufficient funds	Invoices are not paid on time due to financial difficulties the Institutional is in at the moment. At times MIG traches not received no time from Treasury that also cause delay on invoices.	IN-PROGRESS	Director: Engineering Services	July 2017	01 June 2018
Internal Audit Report - Follow-Up: Project Management Review- Finding No: 3.2 [Payments and Financial Management]	Internal Audit Report	Follow-Up: Project Management Review	3.2 Suspension of funded projects	Are managed in terms of standing orders of that body"				Insufficient funds		Implemented.	Director: Engineering Services		
Internal Audit Report - Follow-Up: Project Management Review- Finding No: 3.3 [Payments and Financial Management]	Internal Audit Report	Follow-Up: Project Management Review	3.3 Late submission of DoRA Reports	• Financial personnel;						Implemented.	Director: Engineering Services		
Internal Audit Report - Website Review- Finding No: 1	Internal Audit Report	Website Review	1. Documents uploaded to the ADM website did not display the created date.	• Legal personnel;						Implemented.	Director: Strategic Planning & Management		
Internal Audit Report - Follow Up : Staff Appointment Review - Finding No: 1.1	Internal Audit Report	Follow Up : Staff Appointment Review	1.1 There is no procedure manual developed for recruitment and selection processes.	The Municipal Finance Management Act No. 56 of 2003 section 62(1) (c) (i) prescribes that, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.				Management oversight		Implemented.	Director: Corporate Services		
Internal Audit Report - Follow Up : Staff Appointment Review - Finding No: 1.2 (1) [Significant Information in the Recruitment and Selection Policy were omitted]	Internal Audit Report	Follow Up : Staff Appointment Review	Significant Information in the Recruitment and Selection Policy were omitted	Section 62(1) (c) (i) of the MFMA states, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.				Internal control measures are not in place • ADM Recruitment and Selection Policy is not updated.		Implemented.	Director: Corporate Services		
Internal Audit Report - Follow Up : Staff Appointment Review - Finding No: 1.2 (2) [Significant Information in the Recruitment and Selection Policy were omitted]	Internal Audit Report	Follow Up : Staff Appointment Review	2.1 Panel not properly constituted.	Local Government: Regulations on appointment and conditions of employment of senior managers • the municipal manager - who will be the chairperson; • a member of the mayoral committee or councillor who is the portfolio head of the relevant portfolio; and • at least one other person, who is not a councillor or a staff member of the municipality, and who has some information also needs to be available to managers				Proper internal control measures had not been consistently implemented.		Implemented.	Director: Corporate Services		
Internal Audit Report - Follow Up : Staff Appointment Review - Finding No: 2.1 [Selection Processes]	Internal Audit Report	Follow Up : Staff Appointment Review	2.2 Sufficient supporting documentation were not provided.	In terms of Section 62(1) (c) of the Municipal Finance Management Act No. 56 of 2003, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems. In addition, ADM Recruitment and Selection Policy, paragraph 5.2 under the heading Procedure for applying for an Advertised Vacant Post sub-paragraph 5.2.2 No employment application forms shall be issued to applicants, only a covering application letter, a CV, certified copies of certificates, ID and Driver's License (Id or parent of the provider or of a director, man				Record keeping is not effectively maintained.		Implemented.	Director: Corporate Services		

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Internal Audit Report - Follow Up : Staff Appointment Review - Finding No: 2.2 [Selection Processes]	Internal Audit Report	Follow Up : Staff Appointment Review	2.3 No standard period stipulated for certification of documents in the recruitment and selection policy and / or application form.	In terms of ADM Recruitment and Selection Policy paragraph 5.2 Procedure for applying for an Advertised Vacant Post. 5.2.2 No employment application forms shall be issued to applicants, only a covering application letter, CV, certified copies of certificates, ID and Driver's License (where applicable) shall be submitted by applicants. 5.2.3 All applications shall be received by the Corporate Services Department. Id or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (i) is in the service of the state, or has been in the service of the state in the previous twelve months. es planning and managing with a focus on desired results, and managing inputs and activities to achieve these results. • Assets under construction were incorrectly recognised as transfers and grants expenditure • Assets under construction were not recorded at appropriate amounts • Research costs were incorrectly capitalised into assets under c	Municipal Manager/his or her nominee			Lack of monitoring mechanisms		Implemented.	Director: Corporate Services		
Internal Audit Report - Suggestion Box Review-Finding No: 1.1 [Compliance]	Internal Audit Report (2016/2017) [ADHOC Project]	Suggestion Box Review [ADHOC Project]	1.1 Gaps noted in the Customer Care Policy		Line department representative			Management oversight. Inadequate review of the policy	Inputs were received from the Fire Services and BTO. Requests were sent to Engineering Area Managers for a session to ensure that all gaps are covered but could not sit due to unavailability.	IN-PROGRESS	Director: Strategic Planning & Management		
Internal Audit Report - Suggestion Box Review-Finding No: 2.1 [Stationery]	Internal Audit Report (2016/2017) [ADHOC Project]	Suggestion Box Review [ADHOC Project]	2.2 No provision made for stationery		Representative per Union (observer status)			Awareness will be made to customers via posters and at ADM events of the available forms from Senior Customer Care Officers when they need to post suggestions or comments	Awareness will be made to customers via posters and at ADM events of the available forms from Senior Customer Care Officers when they need to post suggestions or comments	IN-PROGRESS	Director: Strategic Planning & Management		
Internal Audit Report - Suggestion Box Review-Finding No: 3.1 [Satellite Offices]	Internal Audit Report [ADHOC Project]	Suggestion Box Review [ADHOC Project]	3.1 Language demographics not catered for in the forms.		Human Resources Department representative					Implemented.	Director: Strategic Planning & Management		
Internal Audit Report - Suggestion Box Review-Finding No: 3.2 [Satellite Offices]	Internal Audit Report (2016/2017) [ADHOC Project]	Suggestion Box Review [ADHOC Project]	3.2 Remote areas with no suggestion boxes.	The Batho Pele handbook states that "Complaints systems should be: • Well-publicised and easy to use • User-friendly and convenient to the customer, with options such as face-to-face, telephonic or written communications. • Located in venues that can be reached easily by all and sundry, including people who are physically challenged, for example, blind people or people in wheelchairs, etc."				Oversight	The placing of suggestion boxes at remote areas was reviewed and found that those offices are used by Engineering and Fire Services officials and no revenue is being receipt there hence they are not used by ADM customers. Customers are making use of the Satellite offices for payments. A costing will be done to determine the financial implication of placing boxes at remote areas for internal staff usage.	IN-PROGRESS	Director: Strategic Planning & Management		
Internal Audit Report - Suggestion Box Review-Finding No: 4.1 [Skills Development]	Internal Audit Report (2016/2017) [ADHOC Project]	Suggestion Box Review [ADHOC Project]	4.1 No training provided for staff	The Batho Pele handbook states that "Identify staff with potential. It is advisable, where possible, to select staff who are in regular contact with customers and empower them by providing further training. If new staff are being recruited for the complaints facility, please ensure that they have the required competencies. Training should cover: • the complaints handling procedure; • Communication skills such as listening, questioning and language ability – the complaints facility should be multi-lingual to ensure that customers are "heard" and that they understand what is being communicated to them. It should be noted that components that do not have a direct interface with the public, do not necessarily have to have a physical complaints desk. The complaints facility could simply be a team of people who are trained to talk to unhappy customers on the telephone or to communicate with them in writing; • the benefits to all concerned of handling complaints well; and • the consequences of handling them badly."				Financial Constraints	Customer Care staff was trained on new ADMAc Customer Service module and Batho Pele training will be rolled out in phases to the rest of front line staff at ADM within the new financial year	IN-PROGRESS	Director: Strategic Planning & Management		
Internal Audit Report - Suggestion Box Review-Finding No: 5.1 [General Findings]	Internal Audit Report [ADHOC Project]	Suggestion Box Review [ADHOC Project]	5.1 No follow-ups performed on complaints lodged.	The Batho Pele handbook states that "The best and most constructive attitude to adopt in the face of a complaint is that it is an opportunity to learn and improve service delivery. One needs to heed all complaints. It is "free feedback" about services and probably one of the most important and useful means to research or monitor levels of customer satisfaction. Handling complaints in an effective manner makes a statement about the organisational culture."				Complaints are directed to different departments	Register to be developed for Supervisors Customer Care to serve as evidence from Q3 2015/16	IN-PROGRESS	Director: Strategic Planning & Management		
Internal Audit Report - Review of Assets & Fleet Register Reconciliation-Finding No: 1	Internal Audit Report (2016/2017)	Review of Assets & Fleet Register Reconciliation	Expired motor vehicle license disk	Section 63 (1) of the MFMA states that "The accounting officer of a municipality is responsible for management of the assets of the municipality, including the safeguarding and the maintenance of those assets, and the liabilities of the municipality. The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure-) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality ..."		Yes	No	Insufficient budget for renewal of motor vehicle licenses by user departments. Budget for the licensing of vehicles not centralised within Fleet Services and has been raised by User departments may have overlooked the renewal of motor vehicle licenses. Risk	The matter was discussed at the Strategic session at Hogsback and was further discussed with BTO. The outcome of the discussions has now been finalized in that fleet budget has been centralised to Corporate Services Department	Fleet has followed the due processes and the time frame for procurement of license disks but up until to date payment has not been done by Expenditure (BTO) and when following up the reason as to why payment has not been effected the reason advanced is that there is no cash available to pay. Service delivery is therefore affected as such vehicles are not supposed to be utilized. There are also heavy duty vehicles that needs COF before license renewals are effected and such will expire and need COF for the second time. During this period of December/February 2017/2018 there were 73 un-paid licensing of Council vehicles. ENATIS report is attached as annexure A and B to support it should be noted that c	Director: Corporate Services		
Internal Audit Report - Review of Assets & Fleet Register Reconciliation-Finding No: 2	Internal Audit Report (2016/2017)	Review of Assets & Fleet Register Reconciliation	No evidence of disciplinary hearing outcomes being implemented.	Section 63 (1) of the MFMA states that "The accounting officer of a municipality is responsible for management of the assets of the municipality, including the safeguarding and the maintenance of those assets, and the liabilities of the municipality) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure-) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality ..."		Yes	No	§ Insufficient budget for renewal of motor vehicle licenses by user departments. (Budget for the licensing of vehicles not centralised within Fleet Services and has been raised by Corporate Services.) User departments may have overlooked the renewal of motor vehicle licenses.) Inadequate monitoring of budget by user departments	Follow up has been done with the Labour relations. Disciplinary hearing scheduled for the 16 and 22/02/2017. The outcome of the disciplinary hearing will be obtained after the process has been completed.	Implemented	Director: Corporate Services		
Internal Audit Report - Review of Assets & Fleet Register Reconciliation-Finding No: 3	Internal Audit Report	Review of Assets & Fleet Register Reconciliation	Accidents not reported within prescribed timeframes	Section 63 (1) of the MFMA states that "The accounting officer of a municipality is responsible for management of the assets of the municipality, including the safeguarding and the maintenance of those assets, and the liabilities of the municipality. The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure-) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality..."		Yes	No	Arrangement of the first/second party with the third party stating that he/she will deal with the damages of the vehicle. Negligence, poor monitoring and management oversight where management did not monitor and make a follow up on the decision that the first/second party took.	Compile Quarterly report on the sitting of the Accident Committee meetings. Attach minutes and attendance register and submit to both the Working Group and Executive Management Committee.	Implemented.	Director: Corporate Services		
Internal Audit Report - Review of Assets & Fleet Register Reconciliation-Finding No: 4	Internal Audit Report	Review of Assets & Fleet Register Reconciliation	No evidence to support that Accident Committee is fully functional.	Section 63 (1) of the MFMA states that "The accounting officer of a municipality is responsible for management of the assets of the municipality, including the safeguarding and the maintenance of those assets, and the liabilities of the municipality. The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure-) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality ..."		Yes	No	Arrangement of the first/second party with the third party stating that he/she will deal with the damages of the vehicle. Negligence, poor monitoring and management oversight where management did not monitor and make a follow up on the decision that the first/second party took.		Implemented.	Director: Corporate Services		





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Internal Audit Report - Infrastructure Asset Management & Additions of Infrastructure - Finding No: 1.1 [Maintenance of Infrastructure Assets]	Internal Audit Report (2016/2017)	Infrastructure Asset Management & Additions of Infrastructure	1.1 No approved maintenance plan.	According to ADM Asset Management Policy and Asset Management Procedures under the heading Maintenance plans: Every HOD shall ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000 (one hundred thousand) or more is promptly prepared and submitted to the Council of the municipality for approval. The Municipal Manager may direct that the maintenance plan be submitted to the Council prior to any approval for the acquisition or construction of infrastructure asset concerned. Annual reports should be submitted by the HOD's (controlling or using infrastructure assets) to the Council by July each year on the progress in complying with the maintenance plan. The effect of any non-compliance on the useful operating life of the asset should also be reported.					The draft maintenance Policy is in place. In that the maintenance plan is currently being developed.	IN PROGRESS	Director: Engineering Services	January 2018	01 June 2018
Internal Audit Report - Infrastructure Asset Management & Additions of Infrastructure - Finding No: 1.2 [Maintenance of Infrastructure Assets]	Internal Audit Report (2016/2017)	Infrastructure Asset Management & Additions of Infrastructure	1.2 Maintenance Programme has not been developed.	According to ADM Asset Management Policy and Procedures under the heading "Maintenance Approaches" Maintenance entails repairing, preserving, and undertaking modifications (generally minor) to assets in order to ensure that they continue to perform according to specification, or conform to changes in legislation/ regulations. As funding is generally a constraint, the maintenance management approach should cooperate the following processes:					The draft maintenance Policy is in place. In that the maintenance plan is currently being developed and will have programs as part of the plan.	IN PROGRESS	Director: Engineering Services	January 2018	01 June 2018
Internal Audit Report - Infrastructure Asset Management & Additions of Infrastructure - Finding No: 1.3 [Maintenance of Infrastructure Assets]	Internal Audit Report (2016/2017)	Infrastructure Asset Management & Additions of Infrastructure	1.3 Lack of monitoring mechanisms: In touch management system is not effectively utilized	The Municipal Finance Management Act No 56 of 2003 section 62(1)(c) (i) prescribes that, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."				Utilization of the system has not been enforced and obligatory introduced to the responsible personnel.	Full use of the InTouch Asset Management system is dependent on schematics and asset register being fully updated. This is work in progress and is expected to be completed shortly, allowing more comprehensive use of system.	IN PROGRESS	Director: Engineering Services		
Internal Audit Report - Infrastructure Asset Management & Additions of Infrastructure - Finding No: 1.4 [Maintenance of Infrastructure Assets]	Internal Audit Report (2016/2017)	Infrastructure Asset Management & Additions of Infrastructure	1.4 Lack of monitoring mechanisms: There is no standard template to record information in the preventative maintenance schedule.	The Municipal Finance Management Act No 56 of 2003 section 62(1)(c) (i) prescribes that, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."				Lack of close monitoring over maintenance activities.	This finding will be addressed on the alongside and after the completion of the two actions above. (1) maintenance plan is currently being developed and will have programs as part of the plan. (2) To implement the job cut module for an improved maintenance management of the in touch system.	IN PROGRESS	Director: Engineering Services	July 2018	01 December 2018
Internal Audit Report - Infrastructure Asset Management & Additions of Infrastructure - Finding No: 1.5 [Maintenance of Infrastructure Assets]	Internal Audit Report (2016/2017)	Infrastructure Asset Management & Additions of Infrastructure	1.5 Lack of monitoring mechanisms: Incomplete recording of information in the preventative maintenance schedule.	The Municipal Finance Management Act No 56 of 2003 section 62(1)(c) (i) prescribes that, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."				Lack of close supervision over administration activities	This finding will be addressed on the alongside and after the completion of the two actions above. (1) maintenance plan is currently being developed and will have programs as part of the plan. (2) To implement the job cut module for an improved maintenance management of the in touch system.	IN PROGRESS	Director: Engineering Services	July 2018	01 December 2018
Internal Audit Report - Infrastructure Asset Management & Additions of Infrastructure - Finding No: 2.1 (a) [Completed Projects]	Internal Audit Report	Infrastructure Asset Management & Additions of Infrastructure	2.1 Completed projects have not been removed from WIP register.	The Municipal Finance Management Act No 56 of 2003 section 62(1)(c) (i) prescribes that, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."						Implemented.	CFO		
Internal Audit Report - Infrastructure Asset Management & Additions of Infrastructure - Finding No: 2.1 (b) [Completed Projects]	Internal Audit Report (2016/2017)	Infrastructure Asset Management & Additions of Infrastructure	2.1 Componentization of assets has not been fully implemented	The Municipal Finance Management Act No 56 of 2003 section 62(1)(c) (i) prescribes that, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."				Late submission of information from Engineering Services resulted to late update of WIP register	In future BTO will engage qualified engineers to perform fully the componentization of assets so as to have complete assets. Componentisation to be included in the specification and contracts of all newly appointed service providers	Still work in progress - We are engaging with Engineering Department and SCM in making sure that the componentisation is included in the specification and contracts of all newly appointed service providers. EOH has been engaged as well in order to assist with ADM Asset Hierarchy which will be included in Draft Asset Management Policy before it can be approved by council.	CFO	January 2018	30 June 2018
Internal Audit Report - Infrastructure Asset Management & Additions of Infrastructure - Finding No: 3.1 [Asset Register]	Internal Audit Report (2016/2017)	Infrastructure Asset Management & Additions of Infrastructure	3.1 Assets register is not updated.	The Municipal Finance Management Act No 56 of 2003 section 62(1)(c) (i) prescribes that, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."				Management oversight	We are in the process of reviewing the useful lives of all asset classes	Still work in progress - We are engaging with our Engineering Department in order to assist with the process of reviewing the useful lives for Infrastructure Assets as a core department. The Incident Report and Repairs and Maintenance Report will be also assist in this exercise.	CFO	January 2018	30 June 2018
Internal Audit Report - Water Quality - Finding No: 1.1 [Policies and Legislations]	Internal Audit Report (2016/2017)	Water Quality	1.1 No operating procedures in place	The Drinking Water Quality Management Guide for Water Services Authorities states that "Operational Preventative and Corrective Action Planning should be undertaken to establish appropriate procedures for preventative and corrective action required to re-establish process control when operational monitoring indicates that target limits have not been met"				Reliance on external regulations and standards only	Operation procedures to be developed by 29 March 2018	Operation procedure in place	Director: Community Services		
Internal Audit Report - Water Quality - Finding No: 1.2 [Policies and Legislations]	Internal Audit Report (2016/2017)	Water Quality	1.2 No water quality risk assessments performed	A Drinking Water Quality Framework for South Africa states that "Hazard Identification and Risk Assessment. The most effective means of consistently ensuring the safety of a drinking water supply is through the adoption of a comprehensive risk-based approach enabling the identification of hazards and an assessment of their contribution to water quality risks. All hazards from catchment to consumer (and beyond the tap) need to be considered, some communities in South Africa rely on a tap located a distance away from the household. Safe collection, transportation and storage of water in household containers thus become important."				Non prioritisation of risk assessment	We shall review and update the ADM water safety plan	In Progress	Director: Engineering Services	July 2018	01 June 2019
Internal Audit Report - Water Quality - Finding No: 1.3 [Policies and Legislations]	Internal Audit Report (2016/2017)	Water Quality	1.3 No Service Level Agreement between Amatola Water Scientific Services and ADM	In terms of Section 63(1) (a) and (2) (a) of the Municipal Finance Management Act (MFMA), the accounting officer of the municipality is responsible for the management of the municipality, including the safekeeping and the maintenance of those. (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure that the municipality has and maintains a management, accounting and information system that accounts for the liabilities of the municipality.				Inadequate filing	To have a signed Service Level Agreement between Amatoia Water Scientific Services and ADM	Service Level Agreement has been sent to Amatoia Water Scientific Services for signing	Director: Community Services		
Internal Audit Report - Water Quality - Finding No: 2.1 [Laboratory test and results]	Internal Audit Report (2016/2017)	Water Quality	2.1 ADM Water Quality not compliant according to expected standard targets	Section 62(1) of the MFMA states that "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure— (a) that the resources of the municipality are used effectively, efficiently and economically."				Delay in rectification of water test results	We shall review and update the ADM water safety plan	In Progress	Director: Engineering Services	July 2018	01 June 2019
Internal Audit Report - Water Quality - Finding No: 2.2 [Laboratory test and results]	Internal Audit Report (2016/2017)	Water Quality	2.2 No action plan taken for adverse water quality results	The Drinking Water Quality Management Guide for Water Services Authorities states that "Operational Preventative and Corrective Action Planning should be undertaken to establish appropriate procedures for preventative and corrective action required to re-establish process control when operational monitoring indicates that target limits have not been met. Adoption of internal operating guidelines that are stricter than the South African National Standard (SANS) Drinking Water Specification limits acceptable for lifetime consumption, and acting when these guidelines have been exceeded, will reduce the chances of exceeding SANS 241 limits in the water works final waters"				Non updating of reports. No turnaround time set to remedy adverse results	We regretly disagree with the finding as identified. Action is always taken on adverse water quality.	Implemented	Director: Community Services	Monthly	

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Internal Audit Report - Water Quality - Finding No: 3.1 [Site visits, Test results and frequency]	Internal Audit Report (2016/2017)	Water Quality	3.1 Insufficient working apparatuses/equipment	A Drinking Water Quality Framework for South Africa states that "Drinking Water Quality Monitoring Equipment A knowledge of Drinking Water Quality Monitoring sampling procedures is a minimum requirement. This is important as incorrect sampling procedures and methods can affect the accuracy and reliability of analytical results and lead to misleading conclusions on the quality of the water supply. Sampling equipment: A sample tap, or alternately dip sampling equipment which must be sterilized; Gas burner/alcohol for flaming/disinfecting the tap before sampling; Sample bottles and preservatives appropriate to consultants to be analysed (for example, sterile bottle and sodium thiosulphate for bacteriological samples); Cooler boxes and ice packs for transporting microbiological samples, and Sample labels detailing the sample point number, date and time of sampling and the name of the sampler."				Delayed procurement processes	To procure the required resources	Burner Burners (Blowtches) procured (Implemented)	Director: Community Services		
Internal Audit Report - Performance Audit - Finding No: 1 [Compliance]	Internal Audit Report (2016/2017)	Performance Audit	1.1 Delay in the implementation of externally funded projects	In terms of Section 63(1) (a) and (2) (a) of the Municipal Finance Management Act (MFMA), the accounting officer of the municipality is responsible for the management of the municipality, including the safekeeping and the maintenance of those. (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure that the municipality has and maintains a management, accounting and information system that accounts for the liabilities of the municipality				No detailed annual refurbishment plan in place Delay in appointing service providers	KPI 8 - The progress of the projects will depend on the approval b the MM. KPI 19 - Appointment will depend on the verdict	KPI 8 - The progress of the projects will depend on the approval b the MM. KPI 19 - Appointment will depend on the verdict	Director: Engineering Services		
Internal Audit Report - Performance Audit - Finding No: 2.1 [SMARTNESS]	Internal Audit Report (2016/2017)	Performance Audit	2.1 Targets not specific	Section 25(3) of the Local Government: Municipal Performance Regulations for Municipal Managers and managers directly Accountable to Municipal Managers, 2006, states that" The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other".				Non specified progress in targets	Going forward quarterly targets will be measured against activities	Going forward quarterly targets will be measured against activities	Director: Engineering Services		
Internal Audit Report - Performance Audit - Finding No: 2.2 [SMARTNESS]	Internal Audit Report (2016/2017)	Performance Audit	2.2 Soft Target	The Framework for Managing Program Performance Information Chapter 3 section 3.3 states that a useful set of criteria for selecting performance targets is the "SMART" criteria, the "SMART" criteria are as follows: i Specific: the nature and the required level of performance can be clearly identified i Measurable: the required performance can be measured i Achievable: the target is realistic given existing capacity i Relevant: the required performance is linked to the achievement of a goal i Time-bound the time period or deadline for delivery is specified.				Inadequate planning	The scope will be increase/revised once, more budget has been allocated for the project in question	The scope will be increase/revised once, more budget has been allocated for the project in question	Director: Engineering Services		
Internal Audit Report - Performance Audit - Finding No: 3.1 [PHYSICAL VERIFICATION]	Internal Audit Report (2016/2017)	Performance Audit	3.1 Telemetry system not functional	In terms of Section 63(1) (a) and (2) (a) of the Municipal Finance Management Act (MFMA), the accounting officer of the municipality is responsible for the management of the municipality, including the safekeeping and the maintenance of those. (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure that the municipality has and maintains a management, accounting and information system that accounts for the liabilities of the municipality				Improper reporting	Maintenance of telemetry used for monitory is subject to budget availability	Maintenance of telemetry used for monitory is subject to budget availability	Director: Engineering Services		
Internal Audit Report - Performance Audit - Finding No: 3.2 [PHYSICAL VERIFICATION]	Internal Audit Report (2016/2017)	Performance Audit	3.2 Toilet slabs found lying scattered on the roadside	In terms of Section 63(1) (a) and (2) (a) of the Municipal Finance Management Act (MFMA), the accounting officer of the municipality is responsible for the management of the municipality, including the safekeeping and the maintenance of those. (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure that the municipality has and maintains a management, accounting and information system that accounts for the liabilities of the municipality				Non safeguarding of project assets	We cannot take any actions because the Engineering department was advised by the legal office not to take any material, as the contract agreement was between the main contractor and the supplier. ADM was not involved in that agreement and its terms.	We cannot take any actions because the Engineering department was advised by the legal office not to take any material, as the contract agreement was between the main contractor and the supplier. ADM was not involved in that agreement and its terms.	Director: Engineering Services		
Internal Audit Report - In-Year Monitoring Review - Finding No: 1	Internal Audit Report (2016/2017)	In-Year Monitoring Review	Non compliance with section 88 of the MFMA					Action plan is not recorded		In Progress	CFO: Aspire		
Internal Audit Report - In-Year Monitoring Review - Finding No: 2	Internal Audit Report	In-Year Monitoring Review	Non compliance with section 26 of the MFMA							implemented.	Director: Strategic Planning & Management		
Internal Audit Report - In-Year Monitoring Review - Finding No: 3	Internal Audit Report (2016/2017)	In-Year Monitoring Review	Non compliance with section 51 of the MFMA					Action plan is not recorded			CFO: Aspire		
Internal Audit Report - In-Year Monitoring Review - Finding No: 4	Internal Audit Report	In-Year Monitoring Review	Non compliance with section 52 of the MFMA							implemented.	Director: Strategic Planning & Management		
Internal Audit Report - Supply Chain Management Review - Finding No: 1.1 [Deviation Processes]	Internal Audit Report	Supply Chain Management Review	Prior approval has not been obtained.							implemented.	CFO		
Internal Audit Report - Supply Chain Management Review - Finding No: 1.2 [Deviation Processes]	Internal Audit Report	Supply Chain Management Review	Reasons for not complying with SCM processes were not provided.							implemented.	CFO		
Internal Audit Report - Supply Chain Management Review - Finding No: 1.3 [Deviation Processes]	Internal Audit Report	Supply Chain Management Review	Reasons for deviation from SCM processes were not provided.							implemented.	CFO		
Internal Audit Report - Supply Chain Management Review - Finding No: 1.4 [Deviation Processes]	Internal Audit Report	Supply Chain Management Review	No authorization received for transaction processed.							implemented.	CFO		
Internal Audit Report - Supply Chain Management Review - Finding No: 1.5 [Deviation Processes]	Internal Audit Report	Supply Chain Management Review	Formal approval has not been obtained							implemented.	CFO		
Internal Audit Report - Review of SDBIP - Finding No: 1.1	Internal Audit Report	Review of SDBIP	Department: BTO with SMART principle Quarterly Targets Q1- 90% Financial viability expressed by Outstanding service debtors to revenue ratio Q2- 90% Financial viability expressed by Outstanding service debtors to revenue ratio Q3- Financial viability expressed by Outstanding service debtors to revenue ratio Q4- Financial viability expressed by Outstanding service debtors to revenue ratio Annual target - 247% Auditors Comment - MFV 1/2(KPI 38) The quarterly and annual targets are not realistic. There seems to be no relationship between the quarterly targets and the annual target. The ratio indicates the percentage service debt due to the municipality. It examines the revenue management capabilities of the municipality. Municipalities whose debtors are greater than 30% of own revenue are at serious financial risk, especially if there is an on-going deteriorating trend. This ratio clearly indicates the debt due to the municipality must be reduced as it has a significant adverse impact on the cash flows of the ADM.	Performance targets not in line				Lack of proper planning by departments	Financial viability expressed by Outstanding service debtors to revenue ratio is calculated by dividing the outstanding service debt billed by revenue excluding grants. The target has been calculated based on projected outstanding debt billed and anticipated projected revenue. The quarterly and annual target have since been changed in the SDBIP clean-up session to 133%.	implemented.	Director: Strategic Planning & Management		

Reference/No	Audit Report paragraph / Internal Audit Report / Management Report finding	n	Findings	Legal Requirements	Type (Is the finding an Administrative matter or other matters affecting the organisation)	Compliance Finding (Yes/No)	Repeat Finding from PY (Yes/No)	Cause/Internal Control System Lapse (Audit Report & Management Report)	Action plan	Progress	Responsible person	Start Date	Completion Date
Internal Audit Report - Performance management Review Q1- Finding No: 1 (a)	Internal Audit Report (2017/2018) Q1	Performance Management Review Q1	During the review of the PMS Quarter 1, it was noted that information provided for certain targets is not sufficient to support the achievement of the target. KPI 8 SDI 1/1 100 % on targeted milestones achieved targeted as per MIG operational plan(Water connection project construction activities)	ADM PMS Framework states that 'A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period. These are the annual targets that are split into quarterly targets both delivery and financial (based on cash flows) this then achieves the compliance in terms of SDBIP legal requirement. There are two types viz, planned and actual.				Financial constraints and poor planning	Action plan is not recorded		Director: Engineering Services / Director: Strategic Planning & Management		
Internal Audit Report - Performance management Review Q1- Finding No: 1 (b)	Internal Audit Report (2017/2018) Q1	Performance Management Review Q1	During the review of the PMS Quarter 1, it was noted that information provided for certain targets is not sufficient to support the achievement of the target. KPI 20 SDBIP Appointment of Contractor.	ADM PMS Framework states that 'A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period. These are the annual targets that are split into quarterly targets both delivery and financial (based on cash flows) this then achieves the compliance in terms of SDBIP legal requirement. There are two types viz, planned and actual.				Financial constraints and poor planning	Action plan is not recorded		Director: Engineering Services / Director: Strategic Planning & Management		
Internal Audit Report - Performance management Review Q1- Finding No: 1 (c)	Internal Audit Report (2017/2018) Q1	Performance Management Review Q1	During the review of the PMS Quarter 1, it was noted that information provided for certain targets is not sufficient to support the achievement of the target. KPI 20 SDBIP Appointment of Contractor.	ADM PMS Framework states that 'A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period. These are the annual targets that are split into quarterly targets both delivery and financial (based on cash flows) this then achieves the compliance in terms of SDBIP legal requirement. There are two types viz, planned and actual.				Financial constraints and poor planning	Action plan is not recorded		Director: Engineering Services / Director: Strategic Planning & Management		
Internal Audit Report - Performance management Review Q1- Finding No: 1 (d)	Internal Audit Report (2017/2018) Q1	Performance Management Review Q1	During the review of the PMS Quarter 1, it was noted that information provided for certain targets is not sufficient to support the achievement of the target. KPI 41 MFV 1/5 100% spent on targeted amount	ADM PMS Framework states that 'A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period. These are the annual targets that are split into quarterly targets both delivery and financial (based on cash flows) this then achieves the compliance in terms of SDBIP legal requirement. There are two types viz, planned and actual.				Financial constraints and poor planning	Action plan is not recorded		Director: Engineering Services / Director: Strategic Planning & Management		
Internal Audit Report - Performance management Review Q1- Finding No: 1 (e)	Internal Audit Report (2017/2018) Q1	Performance Management Review Q1	During the review of the PMS Quarter 1, it was noted that information provided for certain targets is not sufficient to support the achievement of the target. KPI 41 MFV 1/5 100% spent on targeted amount	ADM PMS Framework states that 'A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period. These are the annual targets that are split into quarterly targets both delivery and financial (based on cash flows) this then achieves the compliance in terms of SDBIP legal requirement. There are two types viz, planned and actual.				Financial constraints and poor planning	Action plan is not recorded		Director: Engineering Services / Director: Strategic Planning & Management		
Internal Audit Report - Performance management Review Q1- Finding No: 1 (f)	Internal Audit Report (2017/2018) Q1	Performance Management Review Q1	During the review of the PMS Quarter 1, it was noted that information provided for certain targets is not sufficient to support the achievement of the target. MFV 1/3 1	ADM PMS Framework states that 'A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period. These are the annual targets that are split into quarterly targets both delivery and financial (based on cash flows) this then achieves the compliance in terms of SDBIP legal requirement. There are two types viz, planned and actual.				Financial constraints and poor planning	Action plan is not recorded		CFO		
Internal Audit Report - Performance management Review Q1- Finding No: 1 (g)	Internal Audit Report (2017/2018) Q1	Performance Management Review Q1	During the review of the PMS Quarter 1, it was noted that information provided for certain targets is not sufficient to support the achievement of the target. MFV 1/2 133%	ADM PMS Framework states that 'A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period. These are the annual targets that are split into quarterly targets both delivery and financial (based on cash flows) this then achieves the compliance in terms of SDBIP legal requirement. There are two types viz, planned and actual.				Financial constraints and poor planning	Action plan is not recorded		CFO		
Internal Audit Report - Performance management Review Q1- Finding No: 1 (h)	Internal Audit Report (2017/2018) Q1	Performance Management Review Q1	During the review of the PMS Quarter 1, it was noted that information provided for certain targets is not sufficient to support the achievement of the target. MFV 1/6 100% of Invoices paid within 30 days of receipt	ADM PMS Framework states that 'A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period. These are the annual targets that are split into quarterly targets both delivery and financial (based on cash flows) this then achieves the compliance in terms of SDBIP legal requirement. There are two types viz, planned and actual.				Financial constraints and poor planning	Action plan is not recorded		CFO		
Internal Audit Report - Performance management Review Q1- Finding No: 1 (i)	Internal Audit Report (2017/2018) Q1	Performance Management Review Q1	During the review of the PMS Quarter 1, it was noted that information provided for certain targets is not sufficient to support the achievement of the target. MFV 1/13 4th Quarter 14/15 report on the cost of providing free basic services submitted to EMC	ADM PMS Framework states that 'A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period. These are the annual targets that are split into quarterly targets both delivery and financial (based on cash flows) this then achieves the compliance in terms of SDBIP legal requirement. There are two types viz, planned and actual.				Financial constraints and poor planning	Action plan is not recorded		CFO		
Internal Audit Report - Performance management Review Q1- Finding No: 1 (j)	Internal Audit Report (2017/2018) Q1	Performance Management Review Q1	During the review of the PMS Quarter 1, it was noted that information provided for certain targets is not sufficient to support the achievement of the target. MFV 1/14 59 days taken in awarding contracts after closing date of tender	ADM PMS Framework states that 'A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period. These are the annual targets that are split into quarterly targets both delivery and financial (based on cash flows) this then achieves the compliance in terms of SDBIP legal requirement. There are two types viz, planned and actual.				Financial constraints and poor planning	Action plan is not recorded		CFO		
Internal Audit Report - Performance management Review Q1- Finding No: 1 (j)	Internal Audit Report (2017/2018) Q1	Performance Management Review Q1	During the review of the PMS Quarter 1, it was noted that information provided for certain targets is not sufficient to support the achievement of the target. MFV 1/11 Reduction in number of deviations by 5 %	ADM PMS Framework states that 'A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period. These are the annual targets that are split into quarterly targets both delivery and financial (based on cash flows) this then achieves the compliance in terms of SDBIP legal requirement. There are two types viz, planned and actual.				Financial constraints and poor planning	Action plan is not recorded		CFO		
Internal Audit Report - Performance management Review Q1- Finding No: 1 (k)	Internal Audit Report (2017/2018) Q1	Performance Management Review Q1	During the review of the PMS Quarter 1, it was noted that information provided for certain targets is not sufficient to support the achievement of the target. KPI 3 (MT) 1/3 Progress report on the appointment of people living with disability	ADM PMS Framework states that 'A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period. These are the annual targets that are split into quarterly targets both delivery and financial (based on cash flows) this then achieves the compliance in terms of SDBIP legal requirement. There are two types viz, planned and actual.				Financial constraints and poor planning	Action plan is not recorded		Director: Corporate Services		
Internal Audit Report - Performance management Review Q1- Finding No: 1 (l)	Internal Audit Report (2017/2018) Q1	Performance Management Review Q1	During the review of the PMS Quarter 1, it was noted that information provided for certain targets is not sufficient to support the achievement of the target. PI (MT) ¼ Develop a diagnosis report on the status and submit to EMC	ADM PMS Framework states that 'A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period. These are the annual targets that are split into quarterly targets both delivery and financial (based on cash flows) this then achieves the compliance in terms of SDBIP legal requirement. There are two types viz, planned and actual.				Financial constraints and poor planning	Action plan is not recorded		Director: Corporate Services		
Internal Audit Report -Review of Community Safety and By-Laws Enforcement - Finding No. 1	Internal Audit Report (2017/2018)	Review of Community Safety and By-Laws Enforcement -	Inadequate Resources	According to the Amathole District Municipality's By-Law Implementation and Enforcement Policy section 5.1 under Roles and Responsibilities, it is stated that:'5.1 Enforcement: The principal enforcers of the Municipality's By-laws will be: 5.1.1 Municipal employees who have been appointed as peace officers; 5.1.2 Members of the South African Police Services.				Financial constraints resulting in establishment plan vacancies. Management oversight where management may have overlooked the shortage of resources. Challenges in coordinating responsibility of Community Safety functions due to low capacity of Local Municipalities.	During the budget process inputs will be made for filling the vacant posts at Community Safety and By-Law Enforcement unit	A reengineering process of the organogram is awaited to address the staffing of the By-Law Enforcement Unit	Director: Community Services	January 2018	30 June 2018
Internal Audit Report -Review of Community Safety and By-Laws Enforcement - Finding No. 2	Internal Audit Report (2017/2018)	Review of Community Safety and By-Laws Enforcement -	By-Laws not enforced to their full extent	According to Amathole District Municipality's By-Law Implementation and Enforcement Policy section 5.2 under the sub-heading implementation states that: 'The following directorates serve as the 'homes' for the by-laws listed. This means that the particular directorate is responsible to ensure that: a) The by-laws are revised regularly and that it stays relevant in terms of prevailing circumstances. b) They must also ensure that the fine schedules are maintained and that the approved amounts are increased to address problem areas and to serve as deterrent. c) That the by-laws assigned to them are implemented and enforced. d) It is the responsibility of these departments to obtain the assistance of legal services / By Law Enforcement Office/ Unit to get the fine schedules approved and any other assistance required'.				§ High vacancy rate § Inadequate cooperation amongst line departments (Community Services, BTO & Engineering). § Inadequate record keeping system § Culture of non-punitive enforcement and thus culture of non-compliance by users. Physical enu Auditors Comment - MFV 1/2(KPI 36) The quarterly and annual targets are not realistic. There seems to be no relationship between the quarterly targets and the annual target. The ratio indicates the percentage service debt due to the municipality. It examines the revenue management capabilities of the municipality. Municipalities whose debtors are greater than 30% of own revenue are at serious financial risk, especially if there is an on-going deteriorating trend. This ratio clearly indicates the debt due to the municipality must be reduced as it has a significant adverse impact on the cash flows of the ADM. structure assets disclosed in note 4 to the consolidated and separate financial statements were understated by R192.1 million, transfers and grants expenditure as disclosed in note 30 to the consolidated and separate financial statements was overstated by R167.4 million.	(a) Community Services During the budget process inputs for funding of vacant positions will be done. (b) BTO Ongoing submission of the identified illegal connections to both legal unit and Engineering (c) Engineering A process flow to be developed and agreed to by BTO and Community Services	(a) Reengineering process of the organogram under discussion is awaited to address the staffing in By-Law enforcement. (b) Submissions from BTO and Engineering departments are received in quarterly reports of illegal connections (c) BTO, Engineering and By-Law Enforcement (BLE) have met and resolved to formulate an information flow chat so as to ensure information on by-law implementation reaches the BLE unit and that relevant documentation is held in records as required for taking legal corrective measures.	Director: Community Services	April 2018	30 June 2018
Internal Audit Report -Review of Community Safety and By-Laws Enforcement - Finding No. 3	Internal Audit Report (2017/2018)	Review of Community Safety and By-Laws Enforcement -	By-Laws have not been revised	According to Amathole District Municipality's By-Law Implementation and Enforcement Policy section 5.2 under the sub-heading implementation, it is stated that: e) The by-laws are revised regularly and that it stays relevant in terms of prevailing circumstances.				• Management oversight where management may have overlooked the revision of By-Laws • Inadequate budget	During the budget process inputs for funding to review bylaws in Community Services will be done.	Input for funding has been made	Director: Community Services	July 2018	30 June 2019
Stock Count Q1 - Finding No. 1	Internal Audit Report (2017/2018)	Stock Count Q1 Finding 1	Physical stock on hand could not be compared to the perpetual inventory system	Section 78 (1) (e) of the MFMA states that 'Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure—that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary'				§ Migration to SAP - Mcoos	Finalize the support request with EOH.	IN PROGRESS - We are still engaging with EOH to try and resolve this issue, calls have been logged.	CFO	January 2018	30 March 2018
Stock Count Q1 - Finding No. 2	Internal Audit Report (2017/2018)	Stock Count Q1 Finding 2	No safeguarding of stock against fire	Section 78 (1) (e) of the MFMA states that 'Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure—that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary'				Management oversight where management may have overlooked the servicing of Fire extinguishers and fire hose reals - inadequate budget.	Process is underway to have them serviced by end of November 2017	IN PROGRESS - The Co-operate Service Department will be in a better position to respond on progress as this is their function.	CFO		

Reference/No	Audit Report paragraph / Internal Audit Report / Management Report finding	n	Findings	Legal Requirements	Type (Is the finding an Administrative matter or other matters affecting the organisation)	Compliance Finding (Yes/No)	Repeat Finding from PY (Yes/No)	Cause/Internal Control System Lapse (Audit Report & Management Report)	Action plan	Progress	Responsible person	Start Date	Completion Date
Annual Financial Statements 2016/2017 Finding 1	Internal Audit Report (2017/2018)	Annual Financial Statements Review 2017/18	Register of Irregular Expenditure & Fruitless and wasteful expenditure misstated	Section 62(1)(i) of the MFMA states that "the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."				Inadequate review of the Register of Irregular Expenditure & Fruitless and wasteful expenditure for accuracy and completeness. (Level or number of resources (i.e., budget or personnel))	a) A note for the Restated Comparatives will be added to the consolidated AFS to disclose to the users of the AFS that the prior year figure for Irregular Expenditure has been restated by R52 500. b) The amounts per the register and AFS were checked, however the difference could not be found. The only way to resolve this immaterial difference then going forward is to amend the figures in the AFS by R18 so that the total per the note agrees to the total per the register.		CFO		
Annual Financial Statements 2016/2017 : Finding 2	Internal Audit Report (2017/2018)	Annual Financial Statements Review 2017/18	Commitments - Projects with no movement in opening and closing balance listed as active projects	Section 62(1)(i) of the MFMA states that "the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."				§ Commitment register not updated and reconciled regularly. (Inadequate review of the Commitments Register for accuracy and completeness. (Level or number of resources (i.e., budget or personnel))	(1) 8/21/2015-2016D - This contract was terminated by the Contractor and the commitment will be removed from the Commitment Register in the 2017/2018 Financial Year once a close-out report is received from the Engineering Department. (2) 8/23/2015-2016D - The contract is complete as the total contract value has been paid to the Service Provider. This will be corrected on the Commitments Register. The commitment will be removed in the 2017/2018 Financial Year once a close-out report is received from the Engineering Department. (3) 8/23/2015-2016C - This project is complete and will be removed from the Register in the 2017/2018 Financial Year as there are still savings on the project. A project close-out report will be submitted by the Engineering Department to close off the commitment. (4) 8/22/2014-2015D - This project is completed and will be removed from the Commitments Register in the 2017/2018 Financial Year once a close-out report has been received from the Engineering Department. (5) 8/22/2013-2014 - This project has reached Practical Completion. The balance remaining is due to savings and retention remaining on the project. Once a final completion certificate has been received from the Engineering Department, the contract will be removed from the Commitments Register.		CFO		
Annual Financial Statements 2016/2017 Finding 3	Internal Audit Report (2017/2018)	Annual Financial Statements Review 2017/18	PPE carrying value on the annual financial statements did not agree with the asset register	Section 62(1)(i) of the MFMA states that "the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."				Review notes raised during the preparation of the financial statements may not have been timely addressed. (Level or number of resources (i.e., budget or personnel))	Accounting and Reporting unit to investigate further as the carrying amount in the note agrees to the final Trial Balance.		CFO		
Annual Financial Statements 2016/2017 Finding 4	Internal Audit Report (2017/2018)	Annual Financial Statements Review 2017/18	Intangible Assets carrying value on the annual financial statements did not agree with the asset registers	Section 62(1)(i) of the MFMA states that "the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."				§ Review notes raised during the preparation of the financial statements may not have been timely addressed. (Level or number of resources (i.e., budget or personnel))	NA - No differences noted		CFO		
Annual Financial Statements 2016/2017 Finding :5	Internal Audit Report (2017/2018)	Annual Financial Statements Review 2017/18	Employee related costs- Difference between trial balance and AFS	Section 62(1)(i) of the MFMA states that "the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."				§ Review notes raised during the preparation of the financial statements may not have been timely addressed. (Level or number of resources (i.e., budget or personnel))	A fully mapped TB was submitted to the AG including the reconciliation of this amount on 31 August 2017.		CFO		
Annual Performance Audit Report 1.1 Performance targets not achieved by the departments : Finding 1 (a)	Internal Audit Report (2017/2018)	Annual Performance Audit Report	During the review of the annual performance for the year 2016/2017, it was noted that information provided for certain targets does not suffice to support the achievement of the annual target. KPI (P1.29) Functional Biometric system at Head Office and Satellite offices	ADM PMS Framework states that "A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period. These are the annual targets that are split into quarterly targets both delivery and financial (based on cash flows) this then achieves the compliance in terms of SGBIP legal requirement. There are two types viz, planned and actual.					Action plan is not recorded		Director: Corporate Services		
Annual Performance Audit Report 1.1 Performance targets not achieved by the departments : Finding 1 (b)	Internal Audit Report (2017/2018)	Annual Performance Audit Report	During the review of the annual performance for the year 2016/2017, it was noted that information provided for certain targets does not suffice to support the achievement of the annual target.	ADM PMS Framework states that "A target: is the value (or desired state of progress) of the indicator that is intended to be achieved by a specified time period. These are the annual targets that are split into quarterly targets both delivery and financial (based on cash flows) this then achieves the compliance in terms of SGBIP legal requirement. There are two types viz, planned and actual.					Action plan is not recorded		Director: Corporate Services		
Q 2 Risk Management Review 2017/18 Inadequate human resources Finding 1.1	Internal Audit Report (2017/2018)	Risk Management Audit Report	During the review it was noted that there is inadequate human capacity within risk management unit to efficiently carryout assigned responsibilities within the risk management unit, where there is only one person who is a risk manager.	According to the ADM's Risk Management Framework, paragraph 1 of "Introduction" states that value is maximised when management sets objectives to achieve an optimal balance between growth and related risks, and effectively deploys resources in pursuit of the entity's objectives.				Financial constraints that the institution is experiencing at the present moment.	The resolution will be presented in the Strategic Planning Session scheduled for February 2018.	IN PROGRESS	Director: Strategic Planning & Management		
Q2 Risk Management Review 2017/18 Lack of in-depth discussions from risk management committee Finding :1.2	Internal Audit Report (2017/2018)	Risk Management Audit Report	During the review of risk management minutes it was noted that in-depth discussions from risk management committees are not taking place to ensure appropriate management of risk management system. Key risk areas that are facing municipality are not discussed in detail and resolved in the risk management committee meetings.	According to the ADM Risk Management Policy, A1 Roles and responsibilities of the Council and Management Manager (Chief Risk Officer), bullet one states that "Council together with the Municipal Manager and Heads of Divisions are responsible for the identification of major risks, the total process of risk management, as well as for forming its own opinion on the effectiveness of the process. Management is accountable to the Council for designing, implementing and monitoring the process of risk management and integrating it into the day-to-day activities of the entity."				Significant information is not tabled and discussed in detail before it is presented to the Audit Committee.	Risk Management Term of Reference will be presented to EMC to enable proposal highlighted above	IN PROGRESS	Director: Strategic Planning & Management		
Risk Management Review 2017/18 Specialised activities are not effectively analysed Finding : 1.3	Internal Audit Report (2017/2018)	Risk Management Audit Report	During the review it was noted that specialised activities are not effectively analysed due to lack of financial resources and individuals with expertise in those particular areas. The following serve as examples: • ICT Infrastructure • Infrastructure services (water & sanitation)	According to National Treasury Risk Management Framework paragraph 4 states that "The Chief Risk Officer and his or her staff should possess a necessary skills, competences and attitudes to execute the functions".				Financial constraints that the institution is experiencing at the present moment	Lack of specialised skill or fund to procure is the main challenge. However, risk unit is engaging other departments/ units for collaboration i.e. MSU Engineering		Director: Strategic Planning & Management		
Risk Management Review 2017/18 No replacement of risk management software system Finding : 1.4	Internal Audit Report (2017/2018)	Risk Management Audit Report	During the review it was noted that Barnowl system that was previously utilised has not been replaced, to assist the municipality in identifying, assessing, monitoring and reporting on institutional goals that will drive ownership and accountability of Enterprise Risk Management at every level of the organization	The Municipal Finance Management Act No 56 of 2003 section 62(1) (c) (i) prescribes that "The accounting officer of an municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control".				Previous risk management software was not working effectively	Currently in the process of exploring the possibility of procuring new software. However, no budget set aside as a result, may be procured July or 2019/20.		Director: Strategic Planning & Management		
Risk Management Review 2017/18 Inadequate of awareness campaigns not conducted. Finding : 1.5	Internal Audit Report (2017/2018)	Risk Management Audit Report	During the review it was noted that awareness campaigns are not conducted to effectively and efficiently improve risk culture within the municipality.	According to Risk Management Policy paragraph 4 under the heading "Principles of Risk Management" states that our risk management approach will inform and direct our work to gain confidence on the reliability of our risk controls strategies and therefore provide assurance. Managers and staff at all levels will have a responsibility to identify, evaluate and manage or report risks, and will be equipped to do so. Paragraph 6 under the heading "Risk Management Policy also state that "Education and training of all our staff to ensure continuous improvement in knowledge, skills and capabilities which facilitate consistent conformance to the stakeholders expectations".				Financial constraints that the institution is experiencing at the present moment	Awareness are conducted (last training was in September 2017, Internal Audit members in attendance). However, there is a need to convene more capacity building initiatives.		Director: Strategic Planning & Management		
Risk Management Review 2017/18 1 Inadequate monitoring of risk registers Finding : 2.1	Internal Audit Report (2017/2018)	Risk Management Audit Report	During the review, the following internal control weaknesses have been identified:	The Municipal Finance Management Act No 56 of 2003 section 62(1) (c) (i) prescribes that "The accounting officer of an municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial risk management and internal control".				Review and monitoring mechanisms are not in place.	Due to inadequate human resources, issue of effective monitoring becomes a challenge. However, item has been roped in to assist on monitoring.		Director: Strategic Planning & Management		
Risk Management Review 2017/18 Line Departments are not consistently utilising risk register template Finding 2.2	Internal Audit Report (2017/2018)	Risk Management Audit Report	During the review it was noted that line departments are not consistently using a standard risk register template when they are populating information in their risk registers.	The Municipal Finance Management Act No 56 of 2003 section 62(1) (c) (i) prescribes that, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."				Risk registers are not reviewed and monitored.	To ensure that line departments do utilised the approved standard template.		Director: Strategic Planning & Management		

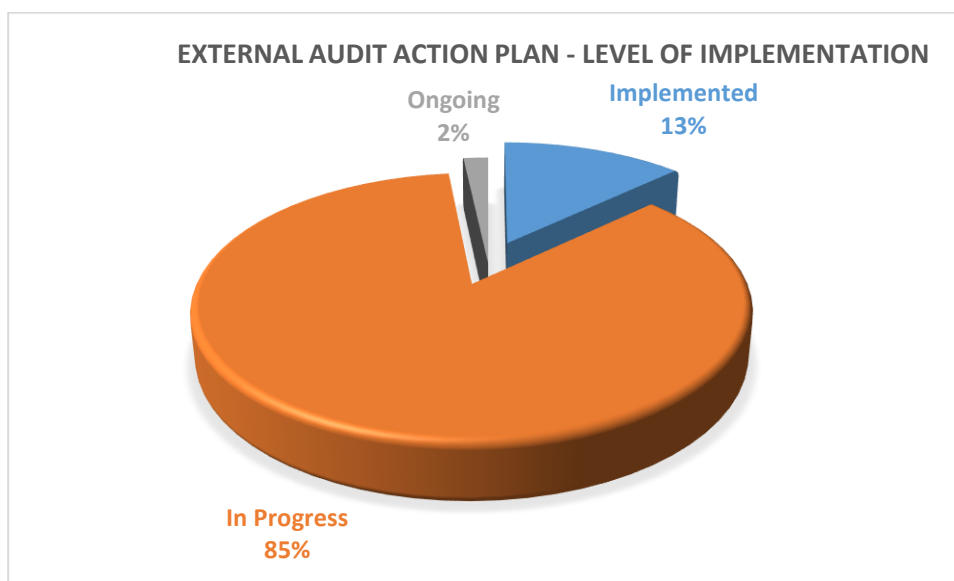
Reference/No	Audit Report paragraph / Internal Audit Report / Management Report finding	n	Findings	Legal Requirements	Type (Is the finding an Administrative matter or other matters affecting the organisation)	Compliance Finding (Yes/No)	Repeat Finding from PY (Yes/No)	Cause/Internal Control System Lapse (Audit Report & Management Report)	Action plan	Progress	Responsible person	Start Date	Completion Date
Stakeholder Communication Review 2017/18 No evidence for operational programs performed Finding -1.1	Internal Audit Report (2017/2018)	Stakeholder Communication Audit report	During the review it was noted that no evidence that operational projects contained in the engagement plan were performed as Internal Audit was not provided with such evidence. • Awareness programmes on indigent, • Awareness programme on disaster management, • Launching of programmes, • Monthly portfolio report, • Mid-quarterly reports for the unit, • Quarterly state of the district for District Communication Forum and Local Government Communication Forum • Programmes developed through facilitation of Batho-Pele and Customer Care workshops for ADM front line staff	As per ADM Internal Audit Charter , Internal audit shall have unrestricted access to, at all reasonable times, to all functions, books, documents, accounts, vouchers, records, property, correspondence and other data of the Council which are necessary for the proper performance of the internal audit function				Non-alignment of awareness programmes.	More needs to be done in ensuring that there is alignment in planning and executing awareness campaigns	Ongoing	Director: Strategic Planning & Management		
Stakeholder Communication Review 2017/18 Gaps identified on Communication Policy. Finding -1.2	Internal Audit Report (2017/2018)	Stakeholder Communication Audit report	During the review it was noted that Communication Policy did not clearly state the role played by Communication's unit in respect of circulating information whether internally or externally. The following instances have been identified: (a) Access rights created by IT are compromising the control measures developed by Communications Unit e.g. internal notices	According to ADM Communication Policy under the heading Objectives states that "The objective of the policy is to provide clear guidelines for communications in the ADM and the principles that guide communications within the communications division. The different roles and responsibilities of communications within the ADM are clarified, and the policy indicates when information should be communicated and by whom. This policy will thus ensure that communication takes place in a coordinated and uniform way so that the municipality speaks with one voice.				Communications Unit has not effectively communicated their roles and responsibilities.	In reviewing the Communications Policy, a policy provision be made on the execution and coordination of internal communications for proper control measures • Departmental road-shows, personnel inductions and councilor workshops should carried out annually		Director: Strategic Planning & Management		
Stakeholder Communication Review 2017/18 Delays in obtaining information from the Premier's Office. Finding 2.1	Internal Audit Report (2017/2018)	Stakeholder Communication Audit report	During the review it was noted that the Premier's Office is responsible for all operations of the Presidential Hotline, which causes major delays in obtaining the necessary information that affects the services of the district.	According to ADM Communication Policy under the heading: Reflecting Diversity under paragraph 7.5 The ADM must ensure balance in its communication plans and activities so that the needs and interests of local and special population groups are reflected and addressed. In addition, "paragraph 7.7 under the heading Public Participation: Communication plays a major role in public participation techniques. It acts as scientific support to public participation, provides technical advice to public participation campaigns, assists to broaden community participation, assists to move beyond the idea of public participation, assists with the sustainability of public participation and provides informed environment analyses [research]".				The lack of structured system creates a backlog of intended rendered services from ADM.	Conduct regular training sessions		Director: Strategic Planning & Management		
Stakeholder Communication Review 2017/18 Engagement plan has not been fully implemented. Finding : 3.1	Internal Audit Report (2017/2018)	Stakeholder Communication Audit report	During the review it was noted that the Communication's Unit has not fully implemented a media engagement plan which provides for a more proactive media engagement approach. The following activities have not been fully implemented and incorporated as per (in) the media engagement plan: (i) Quarterly media briefings (ii) Planned and unplanned interviews (iii) Quarterly informal meetings with senior editors and producers (iv) Media releases (pre and post events) (v) Bi-monthly media round tables discussions	According to ADM Communication Strategy paragraph 5.3 under the heading "Media Environment" states that The Media plays a crucial role in communicating government programmes and service delivery issues. When effectively and maximally utilised, it can strengthen stakeholder relations and bridge the gap between the municipality and its communities. It is of note that commercial media" is largely selective in reporting government programs. ADM has a media engagement plan which provides for a more proactive media engagement approach. However, there is a need to occupy the public space using alternative and new media channels (community media, social media platforms etc.) rather than relying mainly on commercial media (national and provincial media).				The Communication's Unit did not implement the communication strategy that it had itself drawn	Annual Media Communications Capacity Building Workshops for Councilors • Political buy-in on media communications must be established • Centralization of the communications budget to support departmental programmes		Director: Strategic Planning & Management		
Stakeholder Communication Review 2017/18 Community based trainings for Ward committees not conducted. Finding : 4.1	Internal Audit Report (2017/2018)	Stakeholder Communication Audit report	During the review a proof was not obtained that ADM conducts trainings for Ward committees to strengthen and capacitate them in performing their roles and responsibilities.	According to ADM Public Participation policy paragraph 9.1 under the heading "Ward Committees" states that: 1.1 Ward committees are a legitimate statutory platform for community participation. The object of a Ward Committee is to enhance participatory democracy in local government. 9.1.2.2 Strengthen and capacitate ward committees such that they become a driving force for community development programmes.				ADM did not consider to the need to provide training as prescribed in the legislation.	Review of the PP&P policy. Consideration will be either include or remove this pending the availability of funding to implement this activity. (Reviewed policy does not include trainings of Ward Committees for Local Municipalities)	Implemented (Not longer exist (a Trainings)	Director: Legislative and Executive Support Services		
Stakeholder Communication Review 2017/18 No proof of certification Finding : 5.1	Internal Audit Report (2017/2018)	Stakeholder Communication Audit report	During the review it was noted that petitions submitted were not certified by a sworn translator to validate the transition of language or its validity.	According to ADM Public Participation policy paragraph 8.8 under the heading "Receiving and managing petitions" states that:8.8.1 After lodgment, the Speaker must ensure that the petition is translated into English within two weeks; and that each translation is certified by a sworn translator to be a true and correct translation of the original petition.				Lack of overseeing from the Office of the Speaker.	Depends on ADM appointing a sworn translator as currently there is none available	Implemented(Service not available in ADM)	Director: Legislative and Executive Support Services		
Stakeholder Communication Review 2017/18 Petitions submitted were not acknowledged within the specified period. Finding : 5.2	Internal Audit Report (2017/2018)	Stakeholder Communication Audit report	During the review it was noted that the departments do not have systems in place to ensure that petitions received are acknowledged within two weeks as stated by the policy.	According to ADM Public Participation policy paragraph 8.8 under the heading "Receiving and managing petitions" states that: 8.8.1 After lodgment, the Speaker must ensure that the petition is translated into English within two weeks; and that each translation is certified by a sworn translator to be a true and correct translation of the original petition. 8.8.2 The Speaker must acknowledge the receipt of the petition to the petitioner and advise the petitioner of the manner in which the petition is being handled, within a two week period. 8.8.3 The petition must be directed to the relevant office; where the recipient shall acknowledge receipt of such.				Lack of close supervision over administration processes.	In future to include the date of the acknowledgement letter in the petition database column		Director: Legislative and Executive Support Services		
Follow-up Internal Audit Report: Expenditure Management 2017/18 Finding 1.1	Internal Audit Report	Follow-up : Expenditure Management	Procedure Manual has not been updated	The Municipal Finance Management Act No 56 of 2003 section 62(1) (c) (i) prescribes that "The accounting officer of an municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control". In addition, in terms of section 65(2)(a) prescribes that "The accounting officer must for the purpose of subsection (1) take reasonable steps to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorization, verification and payment of funds.				Lack of close supervision over the review and update of procedure manual.	The exercise will find an expression through the implementation of ADMac. New procedures are to be developed and documented in a procedure manual taking into account the ADMac system as processes are to change. Procedure manual has not been updated as yet	NOT IMPLEMENTED	CFO		
Follow-up Internal Audit Report: Expenditure Management 2017/18 Finding : 2.1	Internal Audit Report	Follow-up : Expenditure Management	Lack of monitoring mechanisms-Invoices were not processed to Venus system within the required period of 30 days.	According to section 65 of the MFMA the accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure - (a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorization, withdrawal and payment of funds; (b) that the municipality has and maintains a management, accounting and information system which: (i) recognizes expenditure when it is incurred, (ii) accounts for creditors of the municipality, and (iii) Accounts for payments made by the municipality				Management oversight. Risks Conflict of interest might occur for unauthorized payment processed. Institution might not be sure whether goods have been delivered or not.	The invoices are to be reconciled within a period of 30 days. There are instances were invoices are not submitted to the Expenditure within 30 days and there are instances where invoices are only captured upon payment. The cash flow constraints would result in this delay. 100% on the register of invoices is not met as yet, due to old invoices from Amatola Water that have not been paid yet. ADM has a payment arrangement with Amatola Water for these invoices to be paid.	IN-PROGRESS	CFO		
Follow-up Internal Audit Report: Expenditure Management 2017/18 Finding : 2.2	Internal Audit Report	Follow-up : Expenditure Management	Lack of monitoring mechanisms- Venus statement is signed by one official instead of two.	The Municipal Finance Management Act No 56 of 2003 section 62(1) (c) (i) prescribes that, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control."				Management oversight.	The reconciliation are to be signed by two officials one being the preparer and other being the reviewer. Going forward, Expenditure Manager is to review the reconciliations to ensure that these have been signed by both officials.	IMPLEMENTED	CFO		
Follow-up Internal Audit Report: Expenditure Management 2017/18 Finding : 3.1	Internal Audit Report	Follow-up : Expenditure Management	Lack of monitoring mechanisms over expenditure management processes – suppliers not paid within 30 days	The Municipal Finance Management Act No 56 of 2003 section 65(1) prescribes that, "The accounting officer of a municipality is responsible for the management of the expenditure of the municipality. " Section 65(2) further prescribes that, "The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure."				Management oversight	There are invoices that are not being paid within 30 days of receipt of invoice, this is due to the cash flow constraints that the municipality is experiencing and there are still instances where departments are submitting invoices to the Expenditure unit for payment after 30 days.	IN PROGRESS	CFO		

Progress Not Updated	
Progress Received but not tested	
In progress	
Implemented	

EXTERNAL AUDIT ACTION PLAN - LEVEL OF IMPLEMENTATION

	<u><i>Implemented</i></u>	<u><i>In Progress</i></u>	<u><i>Ongoing</i></u>	<u><i>Total Findings</i></u>
Number	15	99	2	116
%	13%	85%	2%	100%

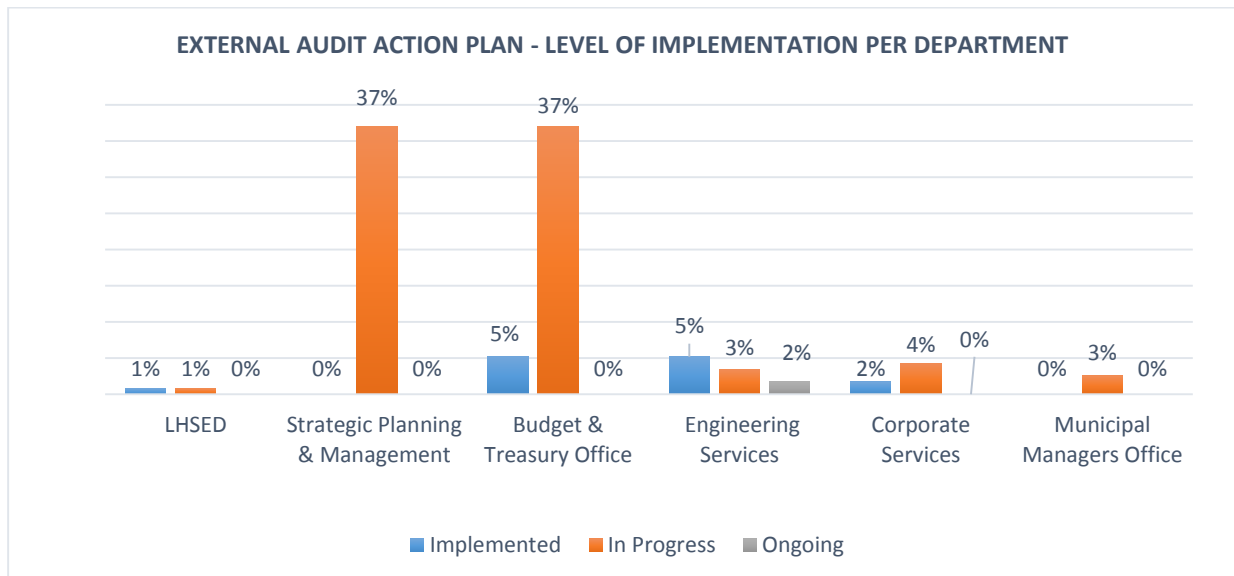
PIE CHART EXTERNAL AUDIT ACTION PLAN - LEVEL OF IMPLEMENTATION



EXTERNAL AUDIT ACTION PLAN - LEVEL OF IMPLEMENTATION AS PER RESPONSIBLE DEPARTMENT

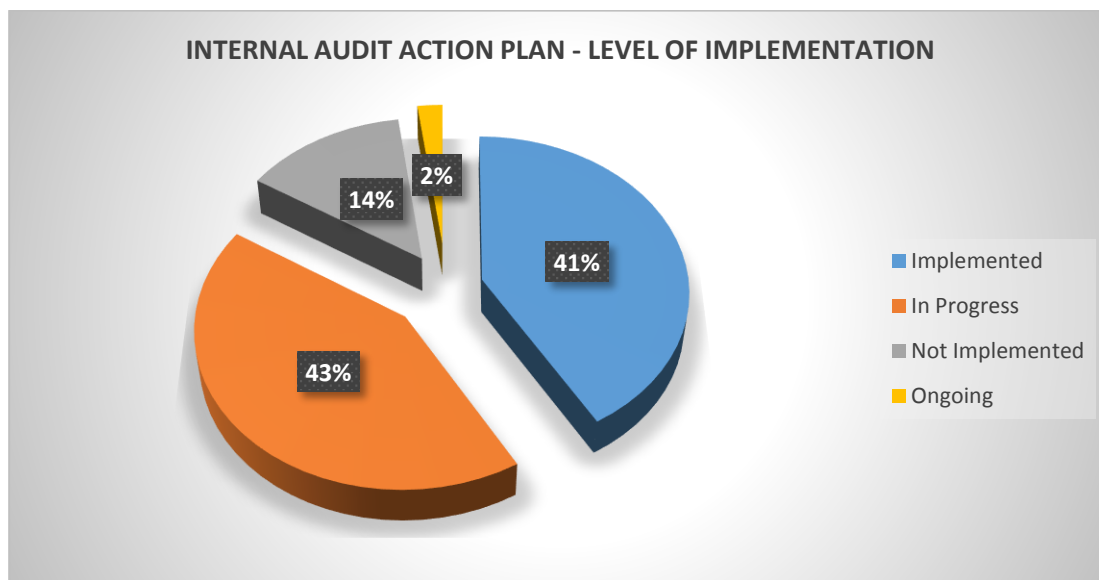
	No of findings	LHSED	Strategic Planning & Management	Budget & Treasury Office	Engineering Services	Corporate Services	Municipal Managers Office
Implemented	15	1	0	6	6	2	0
In Progress	99	1	43	43	4	5	3
Ongoing	2	0	0	0	2	0	0
Total Findings	116	2	43	49	12	7	3

BAR CHART- EXTERNAL AUDIT ACTION PLAN - LEVEL OF IMPLEMENTATION AS PER RESPONSIBLE DEPARTMENT



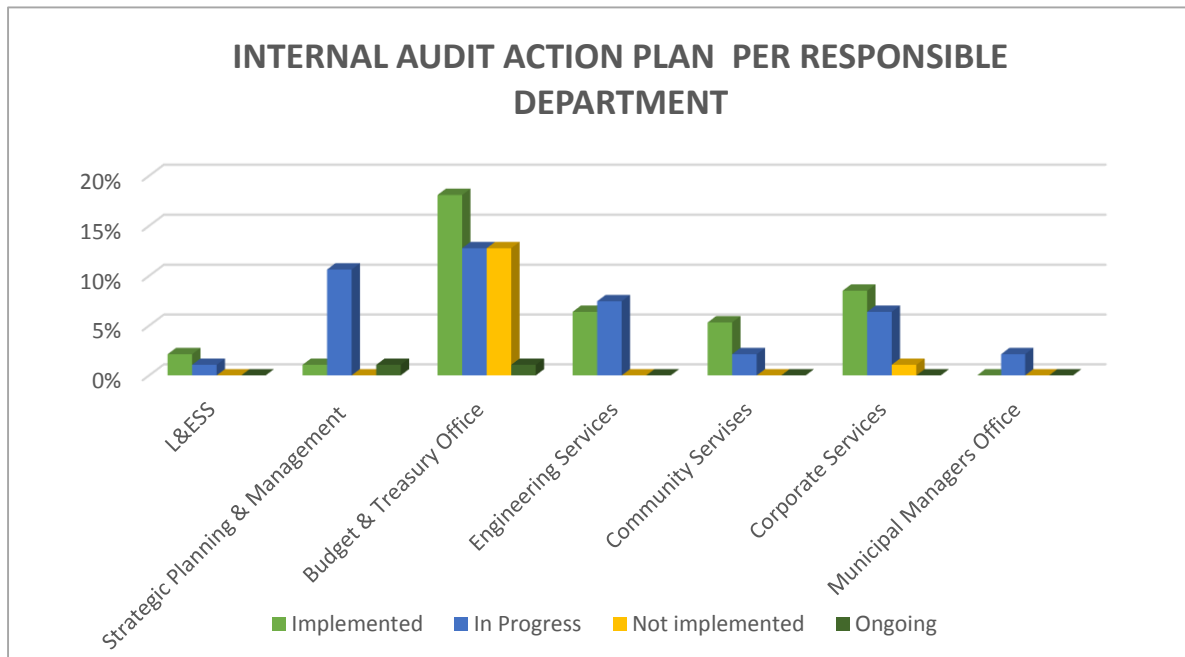
INTERNAL AUDIT ACTION PLAN - LEVEL OF IMPLEMENTATION

	<u>Implemented</u>	<u>In Progress</u>	<u>Not implemented</u>	<u>Ongoing</u>	<u>Total Findings</u>
Number	39	40	13	2	94
%	41%	43%	14%	2%	100%



INTERNAL AUDIT ACTION PLAN - LEVEL OF IMPLEMENTATION AS PER RESPONSIBLE DEPARTMENT

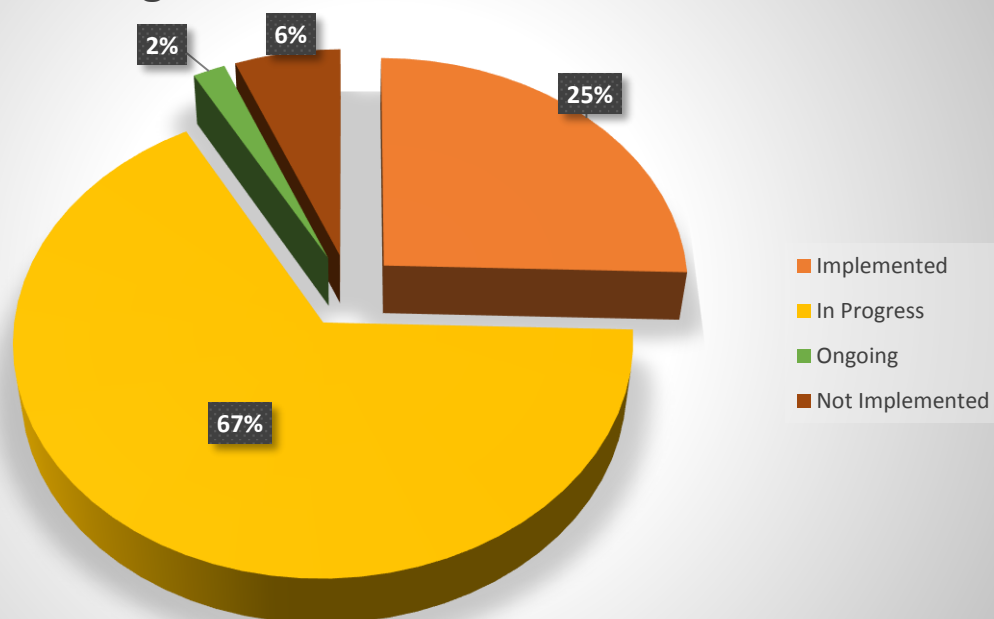
	No of findings	L&ESS	Strategic Planning & Management	Budget & Treasury Office	Engineering Services	Community Services	Corporate Services	Municipal Managers Office (ASPIRE)
Implemented	39	2	1	17	6	5	8	0
In Progress	40	1	10	12	7	2	6	2
Not implemented	13		0	12	0	0	1	0
Ongoing	2	0	1	1	0	0	0	0
Total Findings	94	3	12	42	13	7	15	2



EXTERNAL AND INTERNAL AUDIT ACTION PLAN - LEVEL OF IMPLEMENTATION

	<u>Implemented</u>	<u>In Progress</u>	<u>Ongoing</u>	<u>Not Implemented</u>	<u>Total Findings</u>
External Audit	15	99	2	0	116
Internal Audit	39	42	2	13	96
Grand Total	54	141	4	13	212
%	25%	67%	2%	6%	100%

Total Findings: External and Internal Action Plan





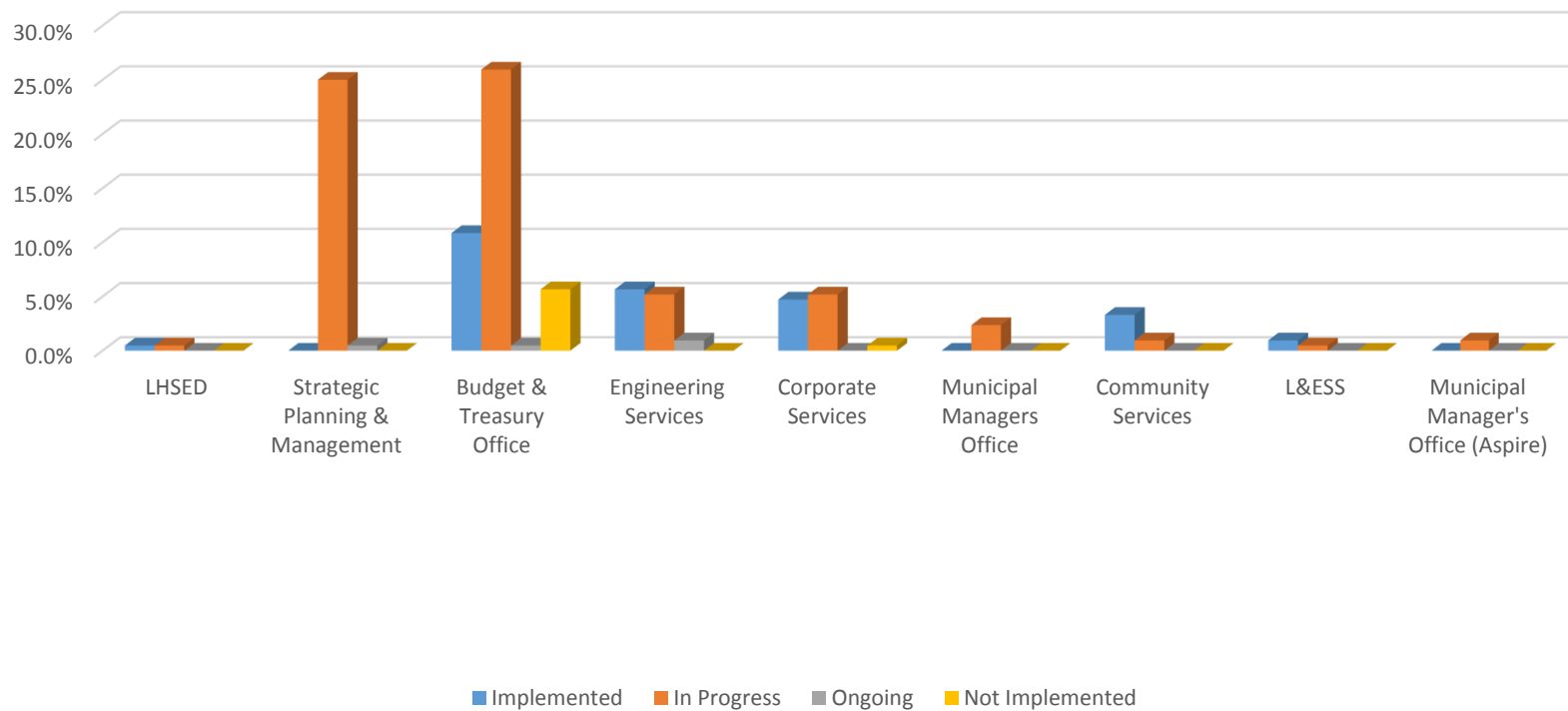
INTERNAL AUDIT REPORT
EXTERNAL & INTERNAL AUDIT ACTION PLAN - LEVEL OF
IMPLEMENTATION

2017/18

EXTERNAL AND INTERNAL AUDIT ACTION PLAN PER RESPONSIBLE DEPARTMENT

	No of findings	LHSED	Strategic Planning & Management	Budget & Treasury Office	Engineering Services	Corporate Services	Municipal Managers Office	Community Services	L%ESS	Municipal Manager's Office (Aspire)
Implemented	54	1	1	23	12	10	0	5	2	0
In Progress	141	1	53	55	11	11	5	2	1	2
Ongoing	4	0	1	1	2	0	0	0	0	0
Not Implemented	13	0	0	12	0	1	0	0	0	0
Total Findings	212	2	55	91	25	22	5	7	3	2

EXTERNAL AND INTERNAL AUDIT ACTION PLAN PER RESPONSIBLE DEPT



Item 10.2
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

10.2.1 OVERSIGHT REPORT

Item to be distributed in the meeting

CONFIDENTIAL REPORTS

ITEM C.1
CONFIDENTIAL REPORTS APPROVED BY THE EXECUTIVE MAYOR IN TERMS
OF THE DELEGATION OF POWERS

C.1. MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT

C.1.1. LABOUR RELATIONS REPORTS RELATING TO LABOUR DISPUTE DECISIONS
THAT WENT AGAINST ADM

[File No. 9/1/R]
[Author: Director: Corporate Services/MD/pb/kx]
[mc :
[Council: 31 May 2018]

PURPOSE

To provide an update report on labour dispute decisions that went against ADM for noting.

AUTHORITY

-) The Labour Relations Act 66 of 1995 as amended.
-) The Collective Agreement on Disciplinary Procedure.

LEGAL/STATUTORY REQUIREMENTS

The employer has a duty, in terms of the Labour Relations Act 66 of 1995 and the SALGBC Disciplinary Procedure Collective Agreement to conduct disciplinary hearings in respect of alleged misconduct or breach of a rule by an employee, as well as to attend and resolve grievances brought forward by employees. Clause 6.3 of the Disciplinary Procedure and Code Collective Agreement states that the employer shall proceed forthwith or as soon as reasonably possible with a Disciplinary Hearing but in any event not later than three (3) months from the date upon which the Employer became aware of the alleged misconduct. Should the employer fail to proceed within the period stipulated above and still wish to pursue the matter, it shall apply for condonation to the relevant Division of the SALGBC.

BACKGROUND/REASONING

Below are the labour disputes whose decisions went against ADM at CCMA, SALGBC and Labour Court.

REFERRING PARTY	BRIEF HISTORY BEHIND REFERRAL	FINALISED DATE	OUTCOME	REMARKS
Neliswa Simuku Senior Manager	Unfair dismissal	20 Nov 2017	ADM was ordered to reinstate the employee retrospectively, with back pay of 16 months	<p>The employee was dismissed after being found guilty of Gross dishonesty/misrepresentation in that on or about 1 June 2014 she submitted with her application for employment, a copy of a fraudulent academic certificate to Amathole District Municipality thus causing the Municipality to incur wasteful expenditure by appointing and paying a salary to and unqualified employee.</p> <p>As part of investigating the allegations against the employee, the then Director for Corporate Services and the Labour Relations Manager travelled to Birnam College in Johannesburg where a meeting with the college board and the College Principal took place. On production of the copy of the certificate submitted to ADM as part of the employee's application for employment, the principal pointed out that college certificates had two signatures, of the principal, and of the auditor. Ms Simuku's certificate had the principal's only, which nullified its authenticity. The second feature would be the student number, which was missing in Simuku's certificate.</p> <p>In an about turn, the College Principal changed what she had initially said to ADM about the certificate when the investigation started,</p>

				instead testifying at arbitration that the certificate was now authentic, and that tilted the scales in favour of the employee.
Mlungisi Booï Senior Manager		3 Nov 2017	<p>Following his dismissal for charges relating to insubordination, and failure to meet performance targets on 09 Dec 2015, Mr. Booï took the matter to arbitration. In the arbitration award that ensued, ADM was ordered to retrospectively reinstate Mr. Booï. The Municipality took the award to the Labour Court on review.</p> <p>In a Labour Court judgment received on 07 November 2017 hereto attached, the review application failed but reinstatement was ruled out, and the municipality was ordered to pay Mr Booï R741 340, 64 as compensation equaling eight (8) months' salary.</p>	<p>It is difficult to understand the reasons for the findings of the LC, given that the court found that Mr Booï was “adamant” as opposed to being “insubordinate” when he consistently disagreed with the Municipal Manager’s ruling.</p> <p>The judge however, finds in his judgment that, “Indeed, the cumulative evidence was such that the manner in which the employee had conducted himself, while it may not have been a sufficient basis to substantively sustain a finding of misconduct, was completely destructive of the prospect of a continued employment relationship”.</p>
Noloyiso Pongoma Admin Assistant	Sexual harassment	26 Sep 2016	The matter was arbitrated at CCMA and the employee was awarded compensation of R150 000 and action ordered against Mr Fredericks. The Labour Court review judgment has ruled in	Although a number of employees at the Adelaide office believed in the innocence of the alleged harasser, they did not want to come and give evidence.

			favour of the employee, and the municipality is busy with legal consultation on the way forward	Crucial evidence in the form of SMS and email evidence which suggested that it was actually the ‘victim’ who was sending suggestive text to the ‘harasser’ was rejected by Commissioner Nowethu Ndiki
Basyl Sampson Electrician	Unfair dismissal		The employer was reinstated by a Labour Court award from June 2016 date of the Arbitration award	<p>This is another bizarre case where the first arbitrator found in ADM’s favour. That award was set aside by the Labour Court and remitted to SALGBC for another arbitrator to officiate. While finding for the employee in terms of substantive fairness, the Commissioner noted that the employee still did not possess the required qualification, and therefore reinstatement was not ideal, and compensation was instead awarded.</p> <p>The employee took the matter for another LC review on the basis of non-reinstatement. The court took the view that where unfair dismissal has taken place, the primary remedy is reinstatement</p>

It is important to note that the municipality did not pursue a frivolous case against Simuku. An external service provider, Employers Mutual Protection Services (EMPS) was tasked with verification of the certificate and the last correspondence from the college Vice Principal was that they could find no record for the learner, and therefore the certificate could not be verified. The fact of the matter is that at the time of the arbitration, the employee was still not on the college's database. ADM's own HR, in verifying Ms Simuku's qualification (Diploma in Computer Science), called the Department of Higher Education which said that, under courses offered by Birnam Business College they could only pick up IT, End User Computing and Book keeping, not Diploma in Comprehensive Computers. They advised that the relevant SETA, MICT SETA be contacted but they also could not pick up anything using the employee's ID number.

In the majority of cases where ADM was legally represented at the Labour Court, there was lack of prior consultation with relevant officials in the Municipality. This is so glaring in both the Booi and Sampson matters where the judgments were based on factual errors. In respect of the latter, the court found that although Sampson might have been disqualified as an "Electrician", there was no basis not to reinstate him as a "Millwright". This is despite the fact that for one to be a Millwright, s/he had to have passed a Trade Test as an Electrician. The Legal Services Office will be engaged to close this gap.

FINANCIAL IMPLICATIONS

Financial implications relate to the monetary awards issued against the municipality

STAFF IMPLICATIONS

There are no staff implications

OTHER PARTIES CONSULTED

All affected departments initiated the enquiries
Affected employees and Unions

ATTACHMENTS

There are no annexures.

RESOLVED

That the report on labour disputes whose decisions went against ADM at CCMA, SALGBC and Labour Court be noted.

CONFIDENTIAL REPORTS FOR APPROVAL BY COUNCIL

C.1.2 REPORT ON THE RECRUITMENT AND SELECTION OF THE CHIEF FINANCIAL OFFICER

To be distributed in the meeting